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Beverley Baxter REVEALS WHY EDWARD QUIT

"Edward Abdicated, Because in His Own Opinion, His Actions Rendered Him Unfit To Occupy the Throne"

IT IS with no desire to revive the torrent of gossip, conjecture and dispute about the tragedy of Edward VIII that I write this letter. I know what a deep personal hurt it has been to Canada, because he was more in tune with the tempo of Canadian life than with that of any other Dominion.

Yet I think I should set down the facts of this unhappy thing, since it was inevitable that, as a Member of Parliament and as a journalist, I should see the unfolding of the drama from its beginning to its incredible end.

Let me admit that no man can read another man's heart, and that the ex-King may have retained a secret there that no one can read. But so far as a close observer can unravel events, this is the truth as it emerges from the smoke screen of controversy.

I refuse to believe, with the sentimentalists, that this is a love affair of such depth that even the story of Tristan and Isolde loses some of its glamor in comparison. On the lady's part, I have yet to be convinced that love is even an important factor.

We should face the truth. King Edward did not abdicate the throne in order to marry Mrs. Simpson. He abdicated because, in his own opinion, his actions rendered him unfit to occupy the throne of Britain any longer.

I am not pleading mercy for him. I am only asking for understanding. When everyone in London was asking if he were mad, if he did not realize the wretched fate of an exiled king, he was gazing into the fire, seeing his future with honest, unflinching eyes.

"I have no place to go," he said to a friend a few hours before his departure. "I shall have little money; nothing to do. I shall brush up German and keep myself busy."

The words might be the innocuous remarks of a businessman half humorously contemplating retirement. But the bitter self-denunciation of his voice robbed King Edward's words of any such suggestion.

In the early hours of the morning, while the skies were still black with night, he stood alone on a destroyer and watched the dark coast line of England fading from sight. Napoleon on the Bellerophon was a less pathetic figure. There were still thousands of Frenchmen who would have died for the fallen Emperor. Yet, four hours previousy I had sat in a theatre where Edward's farewell broadcast was relayed, and not one cheer greeted the last words of the former King.

A little before that, I was in the House of Commons when Colonel Wedgwood, with tears running down his face, declared that sometimes he would drink a toast to "the King across the water," and the House received it with frigid silence.

"He Ensured His Own Defeat"

The implacable spirit of Cromwell had risen from the grave and entered the soul of a man named Baldwin. The challenge of the King was not to the rights of Parliament but to the moral standards of the nation, and Parliament, as the nation's spokesman, closed its ranks as it did when the threat came from Charles I. There was no difference between Socialist, Liberal and Conservative. Churchill and one or two others tried to raise the cry of personal loyalty to the King, but Parliament turned on them with cold anger and declared that loyalty was to the Monarchy and to a King who was true, not false, to his own throne.

Beaverbrook and Rothermere misread the portents and thought the country would demand the King's personal happiness. They declared in their newspapers that we are living in changed times. They also believed that at last Baldwin would go crashing down against the personal popularity of the man who was the idol of the people. They could not have been more wrong. At the first cry of a "King's Party" the nation rallied to Baldwin, and whatever hope the King had was gone.

Let me put on record the thought that of the many agonies Edward had to endure, nothing hurt him more than the attempt to raise the cry of "King against Parliament." Much as he deserves the censure of history, he behaved with the sensibility and loyalty of a statesman and a gentleman throughout the crisis. His determination to do nothing unconstitutional ensured his own defeat, but guaranteed Parliamentary stability.

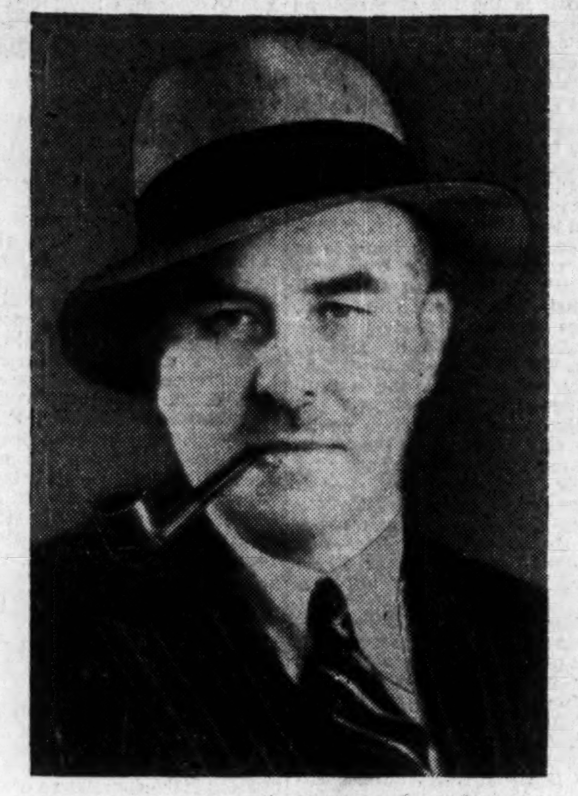
There was one other factor. For the first time, the Dominion Governments were consulted about what would formerly have been a purely domestic business. The people of England looked up with certain astonishment, then approval. Canada was declaring its attitude toward the King's marriage, as were Australia, New Zealand and South Africa. Mr. Baldwin was able to say to the King, "The Dominion Governments advise against your suggestion."

The machinery of Empire was facing an entirely new situation, and working as smoothly as if constitutional problems were an annual affair. No wonder that the King gazed at the ring of devoted but determined nations over which he ruled and decided that the end was near. And, as if that were not enough, the Church was making its voice felt in no uncertain terms. The Archbishop of Canterbury, as head of the Established Church, informed His Majesty that he would not permit any of his priests to solemnize the marriage.

Finally, there was the sinister shadow of that most un-English institution, the King's Proctor, who has power to cancel any decree of divorce during the probation period of six months after it has been granted, if he decides there has been any collusion or if the applicant has been guilty of adultery before the divorce or during the period of probation.

"A Sea of Implacable Friends"

Again I repeat, we must condemn the King for the blow he dealt at the true interests of the country, but in human fairness, did ever one man face such a sea of implacable friends? Yet, if he had wished, he could have wrested an immense victory from the jaws of defeat. Once the bishops and the provincial press forced the issue into the open over the ill-advised but self-imposed silence of



BEVERLEY BAXTER

the London press, the King had only to say, "As a man, I desire to marry the woman I love. As a King, I cannot go against the advice of my Ministers here and in the Dominions. Therefore I renounce my private happiness for the sake of my people." One needs little imagination to understand the wave of emotion which would have swept the Empire, and how his people would have taken him to their hearts as never before. And inevitably a reaction would have set in against the Government which might have proved embarrassing.

In assessing Edward's conduct, we should remember that it would have been in his power, any time after the divorce decree had been made absolute, to take Mrs. Simpson to a registry office, marry her, drive her to Downing Street and say to Mr. Baldwin, 'This is your new Queen." Such a fait accompli would have been most difficult to handle. It is one thing to get rid of a foot-loose Mrs. Simpson. Quite another to depose a Queen.

Instead, when Baldwin privately pointed out that the orgy of American newspaper sensationalism was making the situation intolerable, the King told him of his intention to marry. Still unofficially, Baldwin said the lady was not likely to prove acceptable as Queen. It was then that the King blundered hopelessly. He asked for a Bill of Extension which would permit the marriage on a morganatic basis. Baldwin then consulted the Cabinet for the first time, and asked for the advice of the Dominion Governments. Of course the situation was impossible. The Government would have had to go to Parliament and say, "We now offer for consideration and debate a Bill to declare Mrs. Simpson of the United States of America not a fit person to be Queen of England but quite good enough to be the wife of the King of England." The mere enunciation of such a policy showed its impracticability.

By that time the nation was rocking with excitement. Mrs. Simpson was smuggled out of the country to France. The popular British newspapers published pages of pictures and news about her as if out of a hat. Mr. Baldwin was in constant touch with the King; while Churchill, backed by Beaverbrook and Rothermere, manoeuvred into position to form a Government if Baldwin was forced to resign.

His Advisers "Intellectual Second-Raters"

In such a situation, the King had no real friend whose advice he could seek. His intimate circle unhappily consisted of intellectual second-raters—people who put social ambition before moral values. For thirty years he had been idolized, and now he was witnessing the Times and Lord Camrose's Daily Telegraph declaring he was the servant of the State and must obey the will of the State.

Late one night he called a journalist friend of mine and asked him to secure a proof of the Times editorial and read it to him. It was a bitter, almost cruel attack on him, while Mrs. Simpson was treated with barely disguised contempt. When the journalist finished there was a pause. "It's pretty hard, isn't it?" said the King.

His world was collapsing at his feet. He stormed with anger. Every instinct in him was to fight; to go down fighting. But to his eternal credit, he determined to do nothing to injure the constitutional cause.

Rothermere was inflaming the public with posters bearing such headings as "Justice or Exile?" Beaverbrook was playing up the right to love. People were cheering untenanted Buckingham Palace. Colonel Wedgwood, M.P., was trying to get other M.P.'s to sign a memorial to recognize no other King. Queen Mary's position was dreadful. To all enquiries she simply said, "He is King."

The Duke of York was consulted about ascending the throne. His attitude was the same as his mother's. Never was a family forced to fight out a human issue in such a glare of world publicity. The newspapers refrained from any attack on Mrs. Simpson, but feeling was moving swiftly against her everywhere. People, rightly or wrongly, believed her English divorce was faked; that her husband never had deserted her but that the reverse was true; that she was freeing herself from an incubus in order to carry out her ambition to be Queen; that she had cheapened the whole Monarchy by bewitching the King and then making him a butt for the foreign press.

Well-founded rumors began to circulate that skilful German diplomats had found Mrs. Simpson and her circle a useful medium for propaganda.

"A Woman in Love With Herself"

My own feelings are somewhat restrained by an acquaintanceship with the Simpsons going back a long time. She is not the type of woman that has ever excited me unduly, as her vivacity outpaces her intellectual development, and her eagerness to keep things from dragging is apt to have the reverse effect. But I am convinced she did not want to divorce her husband. To be a king's favorite was to be ranked with many great ladies throughout history, and to be included in the Court Circular was satisfying to the craving for respectability. She would have liked the dream to go on forever But her husband could no longer endure the slings and arrows of outrageous insult. He is a decent, good-looking, devoted fellow, and he had been relegated for many months to the most impossible position a man can fill. He could not have divorced his wife in England as the King is above the law, but he could have tried in America and was being urged to do so.

It was then that his wife decided it would be better if she did the divorcing. The week before the hearing, however, husband and wife met in Paris and nearly called it off. There were tears and protestations on both sides, but she was in the grip of events she could no longer control save by a decision of renunciation requiring a greater character than she possessed. Had she really loved either King or husband, she might have saved herself. But a woman in love with herself and drunk with spurious social success does not understand the meaning of the word sacrifice.

With some knowledge of what might happen, I was horrified when the London press decided not to publish the Simpson divorce. I went personally to Lord Beaverbrook and other friends in control of newspapers, and tried to point out that in their desire to be fair to the King they were being monstrously unfair. How could he judge public feeling with a self-muzzled press? My efforts were just as unavailing as they were eight months ago when I pleaded with one of the editors of Time not to destroy the King, who might some day be called upon to save Europe.

Four things brought Edward down: His unexpected weakness of character under the domination of a vital woman. Lack of character among the King's friends. The vulgarity of the American press. The silence of the British press.

So we waited for the final decision. Mrs. Simpson publicly offered to withdraw, and talked by the hour to the King on the telephone. But nothing could save him. He determined to go to the end.

"I Am Not Fit to be King"

Even now I find the words I have just written almost impossible to believe. To throw away the love of the Empire and the belief of a great people for the soiled affections of a social climber; to choose the living death of an exiled king; to wander from country to country like an imported curiosity; to be virtually cut off forever from his own native England; to have with him every day a woman who would be a constant reminder of his tragic choice!

Yet I know his abdication was not merely an act of infatuation. At the last moment he compared himself to his father in whose footsteps he had sworn to walk, and realized in a blinding flash that he had cheapened the Monarchy and brought it into the realm of controversy. He saw the true picture of himself as a king who had shirked his daily duties because of his desire for private happiness.

Perhaps he saw himself in too harsh a light, but he said: "I am not fit to be King. My brother is much better than I." He said the words dry-eyed and with calm voice. But late that night on the telephone he confided to one of his friends that his heart was broken, and uttered one of the oldest cries of humanity: "FOOL! FOOL! FOOL!"

Baldwin came to the House next day and announced the abdication. He did not make a political speech. He seemed to call us about the fireside like members of one family and tell us of the tragedy of the eldest son; the son from whom we had expected so much. And he asked us all to help the other brother who had been called to the Throne so gravely injured in prestige.

Churchill hurried to Belvedere to help Edward prepare his broadcast, but there was one fatal sentence in it. The King said that if at any time in the future he could serve England he would do so. It sounded like a man who had deserted from the front line saying he would give a hand in the next war.

Such, in brief, is the tragedy of that great prince and unhappy king, Edward of England.

He was so well worth saving. In his eagerness of spirit and warmth of heart, he had so much to give the world. His sympathy for the poor was not false, nor his love of old comrades of the War.

History holds no tragedy more wasteful—more pitiful.

Why The Financial Post Publishes This Article

The drama of the abdication of King Edward continues to hold the world in its grip.

The "inside" story more so.

Maclean's Magazine, sister publication of The Financial Post, in its January 15th issue carried a cable from Beverley Baxter, a writer well in a position to know the true facts of the tragedy. His story created a sensation and an embarrassing situation for Maclean's Magazine.

Within a few hours of the distribution of the magazine it was impossible to secure a copy on any news stand. The supply was snatched up in record time. Orders for thousands of copies poured in from all parts of the Dominion; in many cases men and women were willing to pay many times the regular price to obtain copies.

It was impossible to print further copies, but because of the great interest shown among all classes in the Dominion, it was arranged to reprint the article in this issue of The Financial Post.

The striking editorial from the same issue of Maclean's is also reproduced.

The new material brought out by Mr. Baxter adds to the facts published by The Financial Post in a cable from its own London correspondent in the issue of December 19.

Mr. Baxter, now a British M.P., went to London to rise in time to the post of managing editor of Lord Beaverbrook's Daily Express. Two or three years ago he gave up that post to accept an enormous salary with the Ostrers in Gaumont British Films. But before the expiration of his contract he induced his new associates to tear it up and he went back to journalism.

Maclean's Editorial

The Tragedy of Edward

The previous issue of this magazine was off the press when Edward VIII abdicated.

This is the first opportunity Maclean's has had to affirm its allegiance to His Majesty George VI and to wish for him and his Queen, and for the peoples of the Empire, a long and happy reign.

In May they will be crowned not only with bejewelled symbols, but with the affection of millions who appreciate their calmness, courage and readiness to assume responsibility in a moment of grave national emergency.

Of the tragedy of Edward it is difficult to write. Were it a purely private affair one could gladly refrain from comment at this date. But the injection of serious matters of state raises questions which cannot be hushed.

In setting forth in this issue of Maclean's the story of Edward's abdication as he believes it to be true, Beverley Baxter refers to reports that skilful foreign diplomats had found the circle in which Mrs. Simpson moved useful for propaganda.

Writing in the English Sunday Referee, Ellen Wilkinson, M.P., says that prior to the abdication "There had been growing uneasiness about political tendencies around her (Mrs. Simpson)—or perhaps it would be fairer to say, in groups that had been using her influence over King Edward for their own purposes . . ."

"Eager to be behind Mrs. Simpson was a set which makes little secret of its enthusiasm for the political and social doctrines of a power not particularly friendly toward Britain. Prime Minister Baldwin recently described what he called a dangerous mentality in politics as being the enjoyment of power without responsibility.

"The responsible governing circle of this country, engaged in a terrific rearmament effort, had to consider the situation when such irresponsible elements were, in fact, in a position to know and use more than it might be in the interests of this country should be known.

"The tragedy of this drama is made all the more poignant because the chief actor in it of necessity was completely unaware of the danger. There is every reason to hope that the lady also did not realize the position."

The London correspondent of the New York Times, cabling to his paper said Miss Wilkinson "voiced an increasing belief here that Edward's friends, rather than Edward himself, were to blame for the late crisis."

The London correspondent of The Financial Post (Toronto), Grant Dexter, a Canadian not given to flights of imagination, wrote:—

"Edward also caused concern in higher circles by his known sympathies for Fascism and much anxiety has resulted from his personal liking for Hitler. Well-informed London believed that the appointment of the socially gifted Herr Joachim von Ribbentrop as Germany's ambassador to Great Britain was a strategic move by Herr Hitler to cash in on Edward's feeling toward the Nazis."

And the Whaley-Eaton news service from Washington, sent out a bulletin reporting that:—

"The foreign policy (even domestic policy) of the Baldwin Government has been seriously handicapped by the interference of the King (Edward VIII). He has held his own ideas as to the treatment of Germany and of the depressed Balkan areas. He was beginning to play politics on something of the scale undertaken by Edward VII who prepared the Anglo-French Alliance in advance of the world war, but without the ability of his grandfather.

"For months it has been the inside talk in London that the general world crisis could be faced with greater equanimity and more assurance of peace, were there a less self-assertive King-Emperor and greater warranty of less amateurish meddling with affairs of state.

"Very important Britishers, although hardly envisaging abdication, were wondering how the difficulty could be settled and in such a way as thoroughly to vindicate parliamentarianism and democratic institutions. The emergence of the Simpson matter seemed, to these groups, to be providential and they were quick to take advantage of it."

Was Edward unwittingly duped by international schemers?

Was his infatuation used as a means to precipitate a crisis in which it was hoped the Baldwin Government would be upset and foreign policies altered?

No official documents will ever answer these questions. But some day they may be answered.

In one way, the abdication of Edward was a last great service to the race he served so well as Prince of Wales. The world has marvelled at the quiet dignity with which the people of Great Britain surmounted a crisis that would have wrecked many a nation. There could be no greater tribute to the quality of Empire democracy, to the high moral soundness of the masses and their leaders.

On them the blow fell with crushing suddenness. While for months the newspapers of the United States had been candidly publishing details of Edward's infatuation, not a word appeared in print in England. British editors, fully aware of the situation, imposed voluntary censorship upon themselves. By official direction, the franker pages of imported publications were torn out before they reached the news stands.

It is interesting to speculate on what might have been the result had the British people known something about their King's romance a month or two before his enquiry as to a morganatic marriage with a twice-divorced woman precipitated the crisis that abdication alone could solve. A crystallized public opinion might have influenced a happier ending.

The pages of British history that were written within the span of hours are unparalleled. In order that a record of them may be kept, Maclean's in this issue presents, in supplement form, King Edward's message to Parliament, the text of Premier Baldwin's speech, the Queen Mother's message to her people, Edward's farewell, and the Proclamation of His Majesty King George the Sixth.

GOD SAVE THE KING

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Gen. Steel Wares

We are interested in General Steel Wares common stock and would like to have a report on whether or not there has been an improvement in the company's earnings and what steps are being taken to refund the first mortgage bonds.

General Steel Wares financial statement for 1936 is expected to show a further gain in net profits available for distribution on the capital stock. In 1935 the company had a net profit after depreciation and bond interest of $161,624, as against $106,252 in 1934, equivalent to $3.59 and $2.56 a share respectively, on the preferred stock. The company now has plans in mind for the redemption of its outstanding 6% bonds. Expectations are that the refunding will be done on a lower interest basis, which should add to earnings on the preferred. The latter is in arrears about $42 a share and after the refunding of the bonds, it is expected that a plan will be formulated to provide for the liquidation of the dividend arrears.

Enamel and Heating

Please let me have a report on the earnings of Enamel and Heating Products. Has there been any improvement in the company's position of late?

Enamel and Heating Products reported a net loss of $25,047 in 1935, as compared with a profit of $92 in 1934 and a deficit of $40,473 in 1933. The relatively unfavorable showing in 1935 was due to a reduction in the selling price of the products. However in recent months there has been a pick-up in the demand for sanitary products, stoves and other items produced by the company. Consequently it is expected the 1936 report will show an improvement in earnings.

Bruck Silk

Please let me have your views on Bruck Silk Mills. I understood this company had experienced a decline in sales and earnings. Has there been any improvement?

Bruck Silk Mills sales since the end of the last fiscal year, Oct., 1936, are reported by the president to have shown a definite improvement. For the 12 months ended last October net profits available for dividends amounted to $2,475, as against $150,312 in the 1935 year. Earnings on the common stock totalled only two cents a share, as against an average of over $1.40 a share in the previous three years.

Canada Foundries

Have you any information on the current position of Canada Foundries and Forgings? I have been told the outlook for this company is much better.

Canada Foundries and Forgings is reported to have operated on a materially higher scale in 1936 than in 1935. While no particulars have been made available by the company as regards earnings, it is anticipated income will be higher than in 1935 when operating profits totalled $41,744 as against $21,795 in 1934 and operating losses during the three previous years. The volume of business available to this company has shown an improvement in the past year and the outlook appears more encouraging.

National Grocers

Is there any possibility of a dividend on the common stock of National Grocers? What is its capitalization?

National Grocers Co. has a capital of $1.2 million of 4% first mortgage bonds, $2,263,200 of 7% preferred stock and 295,852 shares of no par value common stock.

The company has had substantial earnings and is understood to enjoy good current business. It has been paying the full annual dividend of $7 a share on the preferred and substantial payments on account of arrears of dividends. However, the arrears of preferred dividend remain at $31.50 a share, and until these are either paid off in cash out of earnings, or capitalized in some way, no dividends can be paid on the common shares.

In the year ended March 31, 1936, earnings amounted to 74 cents a share on the common stock after regular preferred dividends of $7 a share, but before making allowance for the arrears of preferred dividends. This makes it clear that if the preferred arrears were removed in some way the common shares might be considerably more valuable than they are at present. If, however, the company continues to pay off the preferred arrears in cash over a period of years, the common shares must wait in hope for the time when all arrears are paid.

Abitibi

What are the earnings prospects of Abitibi Power and Paper?

Abitibi Power & Paper Co. operations have been expanding, and with increased production and a slightly higher price for newsprint the company's earnings have risen substantially, even though it remains in receivership. There appears to be a good chance of this recovery continuing with the rising trend of newsprint consumption, but the company has not yet indicated earnings sufficient to provide both depreciation and bond interest.

In 1935, earnings were somewhat more than half the bond interest, without allowing for depreciation. Interest, of course, is not being paid. There have been no earnings for the preferred stock since 1931. However, the preferred shareholders are represented by strong interests which should be helpful in connection with any capital reorganization.

The common shares appear to be on the outside in any reorganization proceeding, because holders of the bonds and of the preferred stock should be in a position to demand the major share of any new securities.

Industrial Acceptance

As a subscriber of The Financial Post I would like to ask about Industrial Acceptance Corp. Anything you can tell me about this company and its record will be appreciated.

Industrial Acceptance Corp. is one of the larger companies financing installment sales. Its record of credit losses has been a very favorable one, while its earning power has shown substantial increase in the past year. The volume of business now handled by the company is on a larger scale than ever before and this growth has necessitated additional financing in order to carry the larger volume of business. Heretofore there has been a limited public investment interest in the capital stock of the company. However, this has been changed by the offering of the preferred and the listing of the class A shares.

Hinde and Dauch

Is there any basis for the belief that Hinde and Dauch Paper will report earnings this year in excess of those for 1935?

Hinde and Dauch Co. of Canada showed earnings equivalent to $1.18 a share in 1935, and will report improvement in earnings in 1936. L. F. Winchell, vice-president and general manager, describes the outlook for 1937 as good. It is the company's intention to maintain the full dividend of $1 a share for the coming year, so the yield is well above 4% at present prices for the shares. Management has been efficient and the shares can be regarded as a fairly stable equity investment giving a good yield under present investment conditions.

Ford of Canada

What are the prospects for Ford of Canada's earnings? Is there now a definite dividend basis?

Ford Motor Co. of Canada had a good year in 1936, and expects to increase its production in 1937. The dividend has now been stabilized at $1 a share, having been paid irregularly in the past. The company's earnings are partly realized through affiliated companies abroad so it is not completely clear from the Canadian firm's balance sheet just what total earnings really are.

Part of the income is drawn in the form of dividends from the subsidiaries, but all profits are not so withdrawn, and actual earnings of the affiliates are not shown. The company is in a powerful liquid position and should eventually increase its earnings by the enlargement of plants now being undertaken at Windsor, Ont. Earnings in 1935 amounted to $1.17 a share and are expected to be shown substantially above this figure for 1936.

Silverwood's Dairies

What were the earnings of Silverwood's Dairies on the preferred stock in the last fiscal year and on what basis are these calculated?

Our calculations show that earnings of Silverwood's Dairies for the 12 months ended March 31, 1936, were equivalent to 70 cents a share on the new preferred stock after allowing for interest charges and depreciation reserve. It is true that all the interest charges did not come into the accounts for the 12 months ended March 28, 1936, but the surplus for the year after all charges amounted to over $101,000, on the new issue of 145,000 preferred shares, which is the equivalent of about 70 cents a share.

Kelvinator of Canada

Are present prices for Kelvinator of Canada common justified by earnings and outlook for the company?

Kelvinator of Canada recently paid its initial dividend of $1.25 a share, and recently showed earnings of slightly over $3 a share for the year ended Sept. 30, 1936. The company is expecting continued expansion of sales in the year running to Sept. 30, 1937, and benefits from increased use of refrigeration in buildings, houses and commercially. In the past, earnings have been somewhat erratic, and a period of industrial hesitation might have the reverse effect of putting earnings down. This does not appear to be in sight at present of course, and although the shares have risen appreciably, the price, as compared with earnings, seems reasonable in relation to other common shares.

Canadian Invest. Fund

Will you please let me have a brief report on Canadian Investment Funds? What I would like to have is a report on the general standing of this organization.

Canadian Investment Funds is an investment trust managed by Calvin Bullock. From time to time the company publishes a list of its investments and that for Oct., 1936, shows a well-diversified list of the sounder Canadian and American common stocks. The company's record since its incorporation a few years ago has been favorable. Dividends have been paid regularly.

Fanny Farmer

What is the current earnings position of Fanny Farmer Candy Shops? Is there a possibility of increased dividends?

Fanny Farmer Candy Shops operates in the more populous areas of the United States, and is now operating nearly 300 stores. As the chain has expanded, earnings have risen sharply. The results for 1936 are expected to show earnings substantially above $1 a share, which is the present rate of dividend including extra payments. Continuation of the American tax on undistributed surpluses may cause the company to follow a generous dividend policy, which is possible if the earnings improvement continues. The company is well managed, as is shown by its record, and its business is capable of further expansion.

British American Oil

To what extent is the U. S. business of British American Oil contributing to the company's earnings?

British American Oil is obtaining revenue of well above $2 a share from its American oil producing subsidiaries but does not receive all this in cash from the affiliated company, so that it does not show in the earnings figures. However, the company is earning in Canada, and in the dividends it draws from subsidiaries, more than the dividend of $1 a share. Eventually, the large American revenue should mean considerably better things for the shareholders although for some time the U. S. revenue could be used to retire debt rather than to increase dividends further. The company's position is described by the treasurer as more secure than ever before in its history, which reflects well-informed opinion on the possibilities.

Shawinigan

Kindly let me have your views on the current position of Shawinigan Water and Power Co. Is the dividend being earned?

Shawinigan Water and Power Co. has recorded a steady increase in production over the last two or three years and its revenues have kept pace. While the report for 1936 is not available, it is understood that earnings on the common stock were higher and well ahead of dividend payments of 80 cents a share. Prospects for a further increase in revenue are favorable and it would not be surprising if the company were to again increase the dividend some time during the current year.

Foreign Power

I am considering making some purchases in speculative securities with the idea of appreciation in capital values. With this in mind I would like to have a report from you on Foreign Power Securities.

Foreign Power Securities report for the year ended October last shows a decline in revenue and depreciation in the value of investments. The bonds are well covered, but there is a depreciated value for the preferred and no equity for the common. Further it is noted in the income statement that without the premium on the French franc, earnings of the company were insufficient to cover bond interest. As there will be a much smaller premium on 1937 accounts, there is the question of the bond interest being covered. As regards the dividend on the preferred stock, there are substantial arrears.

International Power

International Power preferred stock has been recommended to me for investment. The yield looks attractive, but before taking action I would like to have your report on this company.

International Power is steadily improving its position and has restored the preferred stock to a paying basis. While the full rate is not being paid, prospects are that the dividend will be increased if further improvement is recorded by the operating subsidiaries. The financial position of the company has been strengthened by new capital issues and the oulook is more encouraging than it has been in recent years.

Eastern Dairies

Please let me have the latest information on Eastern Dairies. I understand earnings of this company have not been very good. Is this true?

Eastern Dairies is contending with difficult operating conditions, mainly as a result of high taxes and governmental regulations on the price paid to the farmer. The margin of profit has been lowered and as a consequence the company is not paying dividends on its preferred stock. Current reports are that there has been no marked change in the position of the company, so that the common stock is still regarded as speculative.

Western Meat Packing

Six slaughtering and meat packing establishments in Manitoba in 1935 produced goods with a gross value of $21,832,403, which was only slightly below the total for Quebec.

STOCKS LISTED AND UNLISTED BONDS
Hambly, Peaker & Trent
Members
THE TORONTO STOCK EXCHANGE
613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

VICE-PRESIDENT

T. H. Gibbons, whose appointment as vice-president of Hiram Walker-Gooderham & Worts Ltd. has been announced by W. J. Hume, president. Mr. Gibbons was recently made a member of the board of directors and has long held offices in subsidiaries of the parent company.

Conversion

Montreal Power Debenture Privilege Expires June 30

From Our Own Correspondent

MONTREAL. — Less than six months remain, during which time holders of Montreal Light, Heat and Power Consold. debentures will have the right to convert into common stock at $50 a share. The conversion offer expires June 30 next, after which the company will have the right to call the debentures or to let them go along to their maturity date July 1, 1939. At the moment the conversion privilege is not attractive, as the common is selling at $36 a share.

At the end of last year there were outstanding $26,823,550 of the 3% debentures. They were issued in July, 1932, at the conclusion of a customer ownership campaign carried out in 1930. At that time the company offered customers the right to subscribe for shares at $50 each on a deferred payment plan. Owing to the drop in the value of the common, subscribers faced a considerable loss and in order to protect their interest, the company offered debentures with right of conversion.

Bathurst Power To Step-up Output

60% Increase Is Expected Through New Plant Changes

From Our Own Correspondent

MONTREAL.—The $650,000 improvement programme announced for Bathurst Power and Paper Co.'s pulp and paper plant will increase production approximately 60%, according to J. G. Chalmers, plant manager.

Orders for a portion of the major equipment already have been placed and it is planned to commence the work in February. It is expected erection of new buildings and the installation of machinery will be completed in August.

Plan Maximum Efficiency

The improvements will consist of the new boiler plant, the installation of another sulphite drying machine, and general improvements to bring the present plant up to maximum efficiency.

It is stated installation of the new boiler plant, with a 6,000 kw.h. turbine will guarantee steady power throughout the year. It will be an auxiliary to the existing hydro plant. According to the plant manager, with the hydro plant alone, the mill has been held up at certain times during the year through insufficiency of water.

Quebec Utility To Float Bonds

Southern Canada Power Asks Authority To Refund Issue

From Our Own Correspondent

MONTREAL.—Southern Canada Power Co. has made application to the Quebec Electricity Commission for authority to issue $6 millions par value 4½% 25-year bonds, payable as to principal and interest in Canadian currency for the purpose of retiring at 102½% of par an issue now outstanding of $6 millions par value 5% bonds maturing Oct. 1, 1955.

This action was anticipated, as at a special meeting of shareholders just prior to the annual meeting on Dec. 18, approval was given to a by-law authorizing the creation and issue of new first mortgage bonds, amounting in the aggregate to $50 millions.

Save on Exchange

The proposed reduction in interest through the substitution of the new bonds will amount to $30,000 per annum. Offsetting this will be the cost of underwriting the new securities, so that in effect there will be practically no saving to the company, except that it will be rid of the contingent liability of having to pay a premium on foreign exchange, as the bond interest is now payable in three currencies. In recent years the foreign exchange premium has been a sizeable expense.

The present bonds were publicly issued in Sept., 1925, by Nesbitt, Thomson & Co. and Dominion Securities Corp. It is likely that Nesbitt, Thomson Co. will head the syndicate making the offer of the new 4½% bonds.

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
ESTABLISHED 1896
LONDON - TORONTO - WINDSOR - WINNIPEG - VANCOUVER

British Newsprint

Rapid Growth and Soundness of Newsprint Picture in United Kingdom Make Outlook Satisfactory, Says London Financial News

From Our Own Correspondent

MONTREAL.—Long-term outlook for the British newsprint trade is undoubtedly very satisfactory and, says the London Financial News, while waiting for the rise in prices which must eventually prove possible, the investor in British newsprint securities is assured of at least the maintenance of profits in the short run.

Since 1929 Great Britain has robbed the United States of her place as second in the list of producing countries and she has increased her output much more rapidly than any other country has done.

Setting the Pace

In its surveys of the British newsprint industry, The Financial News goes on to say:

"Whereas production of newsprint in the U. K. in 1929 was only 637,000 tons, by 1935 that figure had increased to 970,000 tons, a rise of 50%. This compares with an increase in world production over the same period of no more than 4%. That Great Britain should have made such progress over the past six years is, on the face of it, rather remarkable. She has not, like Canada, the U.S.A., Norway and Sweden, the natural advantage of cheap wood pulp supplies obtainable direct from neighboring forests, nor has she available cheap hydro-electric power for the driving of her mills. Nor is there any duty on newsprint rolls entering the U. K., though newsprint sheets—a small item—and most other classes of paper manufactured in this country are protected.

Marshal Own Resources

"Great Britain has achieved her present position in the industry very largely by skilled marshalling of such resources as she possesses. The most important newsprint mills in this country are located at Ellesmere Port, near the mouth of the Mersey, and at Gravesend, Northfleet, Sittingbourne and Kemsley, adjoining the Thames Estuary. This grouping has two great advantages. Ships from Canada in the one case and from the Baltic in the other can unload their supplies of wood pulp direct to the mills, thus securing important inward transport economies. The second advantage of the manufacturing locations selected is their close proximity to important markets for newsprint—Manchester and London. Fleet Street alone absorbs newsprint at the rate of over 15 miles an hour. So distribution charges, an important item in costs, are kept at a reasonably low figure.

"Another great help to the U. K. newsprint producers has been ready access to markets where the demand is exceptionally keen. Thus in 1934 per capita newsprint consumption in the U. K. itself was 57.5 lb. The second largest consumer was the U.S.A. at 48 lb. a head, and the third—another important market for U. K. newsprint exports—was Australia at 43.9 lb. a head.

Matter of Prices

"What course are the profits of the newsprint industry likely to take over short- and long-term periods respectively? The first factor to be considered before venturing on an answer to this question is prices.

"The low point was reached in 1934, and a slow upward movement has started in Canada and should extend to this country, though 1937 contracts have been signed at £10. As was shown in the article dealing with the Canadian position, the Canadian producer is more or less the arbiter of world prices. But in the final analysis prices depend upon the demand emanating from the U. S. A., which country in times of prosperity absorbs a very large part of surplus Canadian production and so frees the British market of dumped excess production. Consumption of newsprint in the U. S. A. is steadily rising, but not yet to an extent sufficient to justify a sharp marking up of newsprint prices. But when U. S. A. recovery gathers momentum and starts working toward the inevitable boom, then her newsprint requirements will reach such dimensions that the producers will exercise more influence over prices. And it must be remembered that full employment of manufacturing resources is probably even more important to the newsprint companies than is the price level. A partly idle machine, when that machine may cost well over £100,000, involves considerable loss of interest on the capital employed, while depreciation charges are heavy.

"Selling prices should, in time, rise further. But costs also are going up both for wood pulp and for coal—these, with sundry chemicals, are the main items in the manufacturing costs of the industry. About three tons of coal go to the making of four tons of newsprint. Higher wood pulp prices fall more heavily on U. K. than on Canadian producers, for the latter own extensive spruce forests stretching almost up to their front doors. However, as the British companies buy their raw materials forward in large quantities, the eventual rise in the price of the finished article should finally take care of heavier debits to the trading account.

"Part of the rising Canadian production is, of course, finding its way into the U. K. market, where it competes with the homemade product. Already over the first nine months of the current year newsprint imports from Canada have risen in value from £644,349 to £836,419, though imports from Newfoundland have fallen slightly from £1,262,141 to £1,148,408. British exports for the same comparative periods have shown a disappointing trend and have declined in value from £536,531 to £517,776, though the volume of exports has risen slightly. The principal export market is Australia, and Canadian competition has probably been felt here. In fact, Canadian exports overseas in the 12 months ended Aug. 31 rose from 488,000 to 577,000 tons as between 1935 and 1936.

N. S. Light Seeks New Capital

From Our Own Correspondent

MONTREAL.—Nova Scotia Light and Power Co. has made application to the Provincial Board of Public Utilities for authority to issue $300,000 of 6% cumulative preference stock and first mortgage bonds to the value of $7 millions.

The purpose of the issues, officials of the company state, is to retire present outstanding first mortgage debentures, funding of money already spent in acquisition of shares of subsidiary companies and funding of previous expenditures for plant additions.

At the end of 1935, Nova Scotia Light had outstanding $4,577,500 of 5% first mortgage bonds, of which amount $4,227,500 is payable as to principal and interest in three countries and the balance only in Canadian funds. Further the company had outstanding $1.7 million of 6% cumulative preference stock.

The 1935 statement showed a bank loan of $500,000, which has since probably been increased in view of the acquisition by the company of other utility properties in the province.

Winnipeg Electric Co. New Stock on Market

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co.'s new capital stock has been called for trading on a "when as and if issued" basis on the Montreal Stock Exchange.

The listing covers 50,000 preference shares of $100 par value each, carrying non-cumulative dividends not exceeding 4% to Jan. 2, 1942, and not exceeding 5% thereafter. The common stock covered by the listing includes: 281,712 class A shares of no par value and 283,581 class B shares of no par value.

CANADA'S GROWTH
Canada's greatness is the result of generations of growth. By safeguarding savings; by promoting confidence; by stimulating construction; by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.
CANADA PERMANENT
Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

Province of Ontario
3% Serial Debentures
Due January 15 each year as follows:

Year	Price	Yield
1953 to 1955	99.75	3.02%
1956 to 1959	99.50	3.03%
1960 to 1962	99.25	3.04%

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Issue Eleventh Review

From Our Own Correspondent

MONTREAL.—C. J. Hodgson & Co. have issued their eleventh edition of "Statistical Review of Canadian Securities," revised to Dec. 31, 1936. Particulars are given of the more active securities traded on the Montreal Exchange. The material is set forth in tabular form, and covers capitalization of each company, shares outstanding, dividend rates, earnings, price range of stock, and working capital.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Common Stock Financing
The use of equity stocks is often the proper solution of problems of corporate finance.
Among the common stocks listed on the Montreal Stock Exchange and Montreal Curb Market, the following are some of those for which this organization has acted as principal, or one of the principals, in underwriting and distribution:
Agnew-Surpass Shoe Stores Limited
Bell Telephone Company of Canada
Bulolo Gold Dredging Limited
Canadian Bronze Company Limited
Crown Cork and Seal Company Limited
Industrial Acceptance Corp. Ltd., Class A
International Mining Corporation
Jamaica Public Service Limited
John A. Lang & Sons Limited
National Steel Car Corp. Limited
Niagara Wire Weaving Company Limited
H. Simon & Sons Limited
A booklet descriptive of the above companies will be forwarded on request to anyone interested.
The experience and facilities of our organization in this kind of financing are always at the disposal of corporation executives for the discussion of their problems.
Greenshields & Co
INCORPORATED
507 Place d'Armes, Montreal
OTTAWA TORONTO QUEBEC SHERBROOKE

BANQUE CANADIENNE NATIONALE
CONDITION AS OF 30TH. NOVEMBER, 1936
LIABILITIES

To the public:			
Notes of the Bank in circulation			$ 4,605,029.00
Deposits			119,092,413.77
Miscellaneous			966,766.93
			$124,664,209.70
To the shareholders:			
Capital, Rest, Dividends and unapportioned Profits			12,376,902.49
			$137,041,112.19

ASSETS

Cash Assets			$ 19,252,608.12
Securities (At less than market prices)			56,297,023.44
Call Loans (Secured by Collateral of ample marketable value)			6,154,583.33
Loans and Discounts and Advances to Municipalities (After providing for doubtful debts)			46,708,718.95
Premises, Mortgages and Miscellaneous (At less than cost or value)			8,628,178.35
			$137,041,112.19

Profit and Loss Account

Credit balance, November 30, 1935			$ 227,860.36
Profits for the year ending November 30, 1936		$962,246.78	
Less: Provision for federal and provincial taxes	$194,311.04		
Pension fund	40,000.00	234,311.04	727,935.74
Total			$ 955,796.10

Apportioned as follows:

Dividends	$ 560,000.00
Written off Bank premises	40,000.00
Treasurer of the Province of Quebec (14 George V, Ch. 3)	125,000.00
Credit balance, November 30, 1936	230,796.10
	$ 955,796.10

Rate Cut is Advocated On Dwelling Insurance

Reduction of 20% in Fire Policy Premiums on Residences Suggested — Central Rating Bureau Mooted

By SCOTT FYFE

Are fire insurance rates too high? Insurance company men say no, although some admit that there is need for a revision in rates which would bring about a reduction in protected dwelling rates. There are others closely acquainted with the insurance situation, however, who are convinced that not only could some classes of risk equitably stand reduction of 20% in rates, but that the time has come for a shake-up in the entire system of determining insurance rates in Canada.

Just what form such revision would take—whether it would result in all companies, board, non-board, and so on, becoming associated with a central rating bureau; whether a Government rating bureau might be established—it is impossible to state at the present time.

Whither Rates?

Recently, in a year-end address, G. D. Finlayson, federal superintendent of insurance, made the prediction that if the favorable fire loss experience of the last few years was continued, substantial reductions might be looked for in the cost of insurance.

Even more definite was the opinion expressed to The Financial Post since that time by a prominent insurance man. It was to the effect that rates on protected dwellings in the larger cities could well stand a reduction of 20%.

Queried as to the basis for that contention, he stated that under the existing set-up, insurance rates are largely a matter of bargaining power. As a consequence, large industrial purchases of insurance have been able to obtain very substantial rate reductions in the last few years. Home owners, on the other hand, have obtained very little. In other words, dwelling owners have had to pay more than loss experience actually warranted, in order to allow reduction in the rates charged on large industrial and mercantile risks.

As a matter of fact, claims this authority, insurance companies are vulnerable on most of their fire schedules. The situation described above, is but a reflection of unsound underwriting practice, in his view. This, he explains, arises from the principle adopted by a number of companies that as long as there is a profit on business as a whole, there is no need for each line of insurance to stand on its own merits. Over a short period, this may be sound, is his contention. But to permit it to linger for years is definitely bad business.

Then too, another charge is that the companies have been financing losses in casualty lines, particularly on automobile insurance, from profits on fire underwriting. Further, the reason insurance companies have been content to continue writing automobile insurance at rates which are unprofitable is that to jack up the automobile rates would throw the fire picture into clearer relief.

Various Rates

Another criticism levied is against the entire rate structure in the Dominion. Various types of insurers, "board" companies, "non-board" joint stock companies, "non-board" mutuals, and so on, all claim to base their rates on underwriting experience, having due regard to the individual merits of a particular risk. Yet the rates quoted vary "all over the map."

These are serious charges. In an attempt to get the viewpoint of company men on the allegations made, The Financial Post approached a number of leading insurers and invited their comment.

As might be expected, the consensus of opinion was that fire insurance rates as at present in effect are not too high. Few would predict even a possibility of lower rates at least until 1938. "Before further action is taken," one stated, "we would like to see a five-year average loss ratio of less than 40%." Mr. Finlayson predicts that the five-year period ended in 1936 will see the average fire loss ratio below 50% for the first time in recent history.

Over a period of years, it is stated, fire rates have not been excessive. Companies cannot afford to be lulled into a sense of false security by unusually favorable loss experience for two or three years. Indications, even now, point to a rising trend of fire losses.

This opinion is weakened, however, when some insurers are willing to admit, although not for quotation, that while the general level of fire rates is not excessive, there may be a serious discrepancy as between industrial and dwelling risks. One will admit that a 20% reduction in protected dwelling rates may be justified.

Company men emphatically deny that the automobile insurance situation is intertwined with the matter of fire rates. Automobile rates, however, most underwriters consider unprofitably low. Evidence to this end is afforded in the number of companies who have placed automobile underwriting on a selective basis. Several companies have retired from the field entirely. Much the same position existed a year ago, when insurance men told The Post that experience warranted higher rates. Nothing has been done, and queries as to the reason for this inactivity bring answers that are for the most part vague and unconvincing.

Consider Entire Picture

There is difference of opinion, too, as to whether or not a majority of insurers follow the principle of disregarding experience on certain lines so long as experience as a whole is favorable. Those who contend that it is so, justify the practice on the grounds that the entire picture must be taken into account. Unpredictable losses in one line of insurance may make it necessary to fall back on more profitable lines, it is stated. In other words if it is true that automobile losses have been offset by profits on fire business this is not the result of a definite policy but rather because one "happens" to be profitable, the other not.

Why Rates Vary

The situation places those companies, the bulk of whose business is in automobile lines, in a most unfortunate predicament. They have no extensive fire business on which profits might prove sufficient to recoup losses in other departments.

Explanations offered as to the difference in insurance rates despite the contention that the various groups claim to base their quotations on experience resolve themselves largely into "competition to get business." Board companies justify their generally higher rate schedule on the basis of greater service. Mutuals claim to operate at lower expense, and, of course, have no outlay for dividends to shareholders. Lloyd's claims economies through its unique set-up. And so on.

On the other hand, non-board companies claim to have gone into board company rates and to have found them unjustifiably high. They contend that in any number of instances board company rates have been "adjusted" to meet non-board competition. This is emphatically denied by members and officials of the Canadian Underwriters' Association, some of whom hold the view that the non-boards determine their rates simply by taking the board rates and slashing off a certain amount.

Both board and non-board companies seem to feel that Lloyd's operates on a somewhat similar basis, merely undercutting the lowest other quotation.

The farther one goes, the more complicated and confused it seems. In order to clarify the situation as far as possible, The Financial Post has asked the leading types of underwriters to submit the method by which they determine rates.

Action Warranted

Taking the fire insurance situation as a whole, there are indications that the companies as a body—not any one group or organization in particular—will have to devise some more equitable plan of determining rates.

It is understood that the "in-one-in-all" rule is to be discussed at the meeting of the Canadian Underwriters' Association next week. It has been suggested that if at that time certain companies fail to make a definite decision to support the rule, the entire rating situation will become extremely vulnerable. Some claim a rate war would not be an impossibility.

MUTUAL LEADER

T. H. Dickinson, of the Toronto Bay St. agency of Mutual Life of Canada, led the entire agency force in Canada in the production of new business in 1936.

Mr. Dickinson has been a member of the company's Quarter Million Club each year since its inception in 1922. He has attained the presidency of the club on five occasions.

Easier Rates Planned Soon For Aviation

Life Policyholders May Expect Fewer Restrictions for 1937

SCHEDULE REVISION

Canadian life insurance companies have for some months been preparing a new schedule of rates and conditions affecting air travel on this continent, The Financial Post understands. The rates are of importance in view of the prospect for a trans-Canada air service in 1937.

The tie-up between life insurance policyholders and aviation has been an active one in Canada since about 1928. At that time a special committee of the Toronto Actuaries Club was formed to attempt some uniformity of approach among Canadian companies.

With the lapsing of major airmail contracts some years ago the problem ceased to be of wide interest to Canada but companies continued their studies and discussions because of the rapid increase in flying by businessmen and citizens generally in the United States. For some years annual discussions have taken place through a special committee of the Toronto Actuaries Club of which L. K. File, associate actuary of the Canada Life is chairman.

Schedule Revision

Intensive work on a revised schedule took place in the last three months of 1936 and at the February meeting of this group it is expected that the new schedule for 1937 will be finally approved by leading member companies. The Actuaries Club, of course, while it has no jurisdiction over individual companies, has become over a period of years the accepted clearing house of actuarial opinion in Canada and any recommendations are usually adopted by the majority of member companies.

Though details are not available it is understood that the major change for 1937 will be the lifting of present restrictions regarding the number of flights a life insuance policyholder may take without incurring an extra premium. Under the schedule now in force any life insurance policyholder who makes more than 15 flights on a regularly-licensed plane in a year is liable to an extra premium ranging from $2.50 to $10 per thousand of insurance.

Under the new schedule it is expected that this rating will be considerably modified to allow probably as many as 25 flights without an extra rating. The "extra" premium will probably be reduced to a maximum of about $6, it is believed.

Details of aviation ratings for passengers as put into force by many leading Canadian companies last February, follow:

	Extra Premium per $1,000 of Ins.
(A) Passengers flying in licensed planes with licensed pilot (except long distance flights over remote areas, for which see Section E,)—	
No. of Flights Likely to be Made	
1 to 15 flights per year	Standard
16 to 30 " " "	$2.50
31 to 50 " " "	4.00
51 to 75 " " "	6.00
76 to 100 " " "	8.00
101 and up " " "	10.00
(B) Passenger flying with unlicensed pilot or unlicensed planes	Not accepted
(C) Private owner flying as passenger with employed licensed pilot	$15-$50
(D) Officers and employees of companies which either own or employ airplanes for use in connection with their business, operated by licensed pilots and operating between well equipped airports only not located in undeveloped districts such as mining and lumbering centres	Same ratings as A of this section
(E) Passengers on planes flying over remote and unpopulated territories: Obtain the number of flights in accordance with the rules laid down in (A) above. Multiply this number by two and use the resultant figure as the number of flights to be rated for under table given in (A).	

Salaries Shown For Life Officials

Payment of a salary of $27,000 in 1935 to C. C. Ferguson, of Winnipeg, as general manager of the Great West Life Assurance Co. is reported in the list of salary payments by foreign corporations made public by the House Ways and Means Committee at Washington recently.

H. W. Manning, assistant general manager of the company, is reported to have received $19,000 as salary in 1935 and commission of $278.77. C. W. Butler, of Montreal, superintendent of Eastern Agencies for the company, was paid $16,000.

Figures disclosed for Canada Life show C. F. Bullen, of Chicago, the company's branch manager at that point, received commissions of $22,899 and that F. W. Ries, Jr., of Pittsburgh, received commissions as branch manager of $33,970.

Sun Life payments disclosed, show E. Jordan, the company's manager at Philadelphia, received a salary of $9,740 plus commissions of $4,730. He also was paid a bonus of $4,024.

E. W. Owen, manager for Sun Life at Detroit, received approximately $18,000 comprised as follows: salary $10,515; commission $2,610; bonus $4,927.

Reciprocal Exchanges Effect Consolidation

Inter-Insurers Exchange and Underwriters Exchange, Kansas City fire insurance reciprocals, have been consolidated under authority of the insurance commissioners. The continuing organization will be the Underwriters Exchange, with T. H. Mastin Co. as attorney-in-fact. It has been reported that only fireproof sprinklered risks will be written by the exchange.

Total assets of the Inter-Insurers were $174,336, and of the Underwriters $1,226,318 according to latest available figures. The merger was effected to eliminate duplication in operating expenses.

Ski Insurance Covers All Risks

An inland transportation policy covering loss or damage to skis and equipment is the newest wrinkle in insurance.

Within the last few weeks, the Insurance Company of North America has placed on the market a policy which insures against direct loss or damage to skis, bindings and poles caused by breakage, fire, theft, burglary and hazards of transportation. About the only thing not covered is "infidelity" of a friend to whom the skis may be loaned.

Life Insurance Company Reports

Western Empire

A gain of 6% in new insurance issued and revived and a gain in insurance in force for the first time in six years is reported by Western Empire Life in its 25th annual report. Demand for policy loans and cash surrender values is down to 80% of the 1935 figure. New premium receipts gained 31%, although total premium income was slightly lower than in 1935. Policy loan repayments continued at a substantial figure though lower than the 1935 total.

Speaking at the company's annual meeting on Jan. 12, R. W. Craig, president of the company, referred to "investment losses made inevitable by both voluntary and involuntary adjustments," and also to the fact that "sales of real estate have been possible to a considerable extent to offset accumulation of real estate holdings from properties on which mortgages were previously held."

At the close of 1935 the company reported investment and contingency reserves of $115,028. During 1936 the company assumed losses totalling $37,523. The remaining balance of $77,505 was increased by $12,495, leaving investment and contingency reserves at the close of 1936 at $90,000. Of total assets of $1.7 million the company has $868,000 in mortgages and agreements for sale, and $197,594 in real estate. Policy loans total $295,000 and interest due and accrued $219,000. All these items show declines from 1935, except real estate which increased from $138,050. Free surplus (inclusive of amounts allotted to participating policyholders) was lower at $39,000.

Comparative figures follow:

	1936 $	1935 $
New ins. issued and revived	1,504,701	1,451,429
Bus. in force	7,109,768	7,051,275
Income and Disbursements		
Net prem. income	185,870	187,776
Total income	391,964	419,762
Policy payments	137,638	182,251
Excess*	25,466	11,747
Assets and Liabilities		
Total assets	1,680,395	1,682,629
Policy reserves	1,221,198	1,200,318
Conting. reserve	90,000	70,000
Free surplus†	39,108	54,888

†Including amounts allotted to participating policies.
*Of income over expenditure.

Vancouver Pays To Sinking Fund

From Our Own Correspondent

VANCOUVER.—Improvement in tax collections in 1936 enabled the city of Vancouver to make a substantial payment to its sinking fund on account of overdue installments for the first time since 1931. The amount of the payment was $174,101.

In preparing the 1936 budget it was estimated 80% of current taxes and 37% of arrears would be collected. The results for the year show 81.64% of current taxes and 32.59% of arrears to have been collected. Collections of these two items combined amount to about 108% of the levy, resulting in reduction of current borrowings from the bank and making a payment to sinking fund possible.

During the year debentures amounting to $817,957 were paid off at maturity. Debentures to an amount of $643,926 were purchased for sinking fund. This included $476,926 of city debentures purchased on a 6% to 7¼% basis. This has further increased the sinking fund surplus earnings, earning requirements of the sinking fund being only 4%.

Vancouver's debenture debt at Dec. 31 last was $66,501,324.

C. H. Reed Appointed To Insurance Post

C. H. Reed was recently appointed assistant manager for Canada of the General Casualty Insurance Co. of Paris, the Phenix Fire Insurance Co. of Paris, The General Fire Insurance Co. of Paris and the Svea Fire and Life Insurance Co. of Gothenburg. Mr. Reed was formerly associated with the Commercial Union group of insurance companies.

No Change Here In Aetna Rates

The new increased non-par life rates announced by Aetna Life Insurance Co. will not apply in Canada, The Financial Post is informed. The increase will be effective in the United States on March 1, 1937, and is being planned uniformly by the "Hartford" group of companies which usually act in unison in respect of non-par rate policies.

Reason for the increase is the change in the company's reserve from a 3½ to a 3% interest basis. This means that policies bearing a large investment factor will be the most affected by the change.

Other changes announced by the company include the introduction of a 10-year term policy; new participating retirement annuity rates and new policy forms to conform to the changes that have been made in non-forfeiture and maturity values, etc.

Auto Club Advocates Responsibility Law

A safety responsibility law, already in effect in all other provinces, will be advocated by the Royal Automobile Club of Canada to the Quebec Government. One of a series of recommendations, the law is regarded as the alternative to compulsory insurance for motorists.

The system means that all motorists start from "scratch." When a motorist has an accident, and fails to meet his obligations arising from it, he must then take out an insurance policy. Failure to do so will mean that he will be unable to obtain a driving license, not only in Quebec province, but in all other provinces where a similar law is in effect.

Insurance Inklings

A. D. CAMPBELL, of the Montreal office of the Royal-Liverpool group, has been appointed casualty superintendent for the Maritime Provinces.

G. J. LONSDALE, formerly with the Merchants Casualty Insurance Co., has been appointed Toronto branch manager of the Economical Mutual Fire Insurance Co.

Fire and Windstorm INSURANCE
Over Half A Century of "Service with Security" Est. 1884
TESTED and PROVED by TIME
Since its inception in 1884, this organization, Western Canada's oldest Mutual Insurance Company, has maintained the policy of giving "service with security." "Portage" policy-holders enjoy complete protection at minimum rates.
Branches: WINNIPEG, REGINA, CALGARY 83
The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE MAN.

During 1936 The Northern Life continued to "March Ahead" in all phases of the Company's operations.
Increase in Surplus — Free surplus again increased thus maintaining an unbroken record of surplus improvement each year since 1929.
Gain in Force — Business in force was increased during the year. The ordinary business in force showed an increase in addition to an increase in the Company's group business.
Increase in New Business — New business continued to show an increase and was well in excess of the business of the previous year.
Increase in Assets — Assets increased by a record amount. Total assets now over ten million dollars. This increase in assets adds still further to the Company's policy contracts.
Quality of Investments — During the year the Company's new investments were carefully selected. All assets were reappraised and, if necessary, re-valued. Substantial amounts were added to all investment reserves. Northern Life investments are well selected and well diversified.
Ask a Northern Life salesman why people prefer Northern Life policies. 51
Northern Life Assurance Company of Canada
Established 1897 Home Office: London, Canada

FIDELITY Insurance Company of Canada TORONTO

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.
FIRE, WINDSTORM, AUTO, CASUALTY

RELIANCE INSURANCE COMPANY of CANADA · Montreal · Property Insurance

Does your Fire Insurance PAY DIVIDENDS?
BRANCHES: Toronto Hamilton Ottawa Montreal Quebec City St. John Halifax Winnipeg Saskatoon Calgary Edmonton Kelowna Victoria Vancouver
Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,088,428. Ask our nearest office for particulars.
NORTHWESTERN MUTUAL FIRE ASSOCIATION

FIRE INSURANCE
A CANADIAN COMPANY
SECURITY NATIONAL INSURANCE COMPANY
HEAD OFFICE TORONTO
J. H. RIDDEL President
V. G. CREBER Vice-Pres.
S. FAIRLEY Secretary
Inquiries for Agencies Are Invited
GUARANTEED BY EAGLE, STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD.

FEAR IS THE MOST POTENT ENEMY OF MANKIND....
Through the Sun Life of Canada, thousands of men and women all over the world have co-operated by means of Life Insurance to overcome that common insidious fear — anxiety for the morrow. Their future, whatever it may hold, is planned to meet the unforeseen. Loved ones are cared for, old age is safeguarded, homes are secured.
Why not become a member of the great Sun Life Family today?
SUN LIFE of CANADA

FIRE AUTOMOBILE
Assets Over $8,465,000
MARINE CASUALTY
Losses Paid Since Organization of Company in 1851 over $121,410,000
WESTERN ASSURANCE COMPANY
CO-OPERATION WITH THE AGENT
FAIR DEALING WITH THE INSURED
WESTERN ASSURANCE COMPANY
HEAD OFFICE - TORONTO

An Unbroken Record
1869 — 1937
...of its becoming the absolute property of the Corporation.
5. No policy of assurance shall be issued by the said Company until applications have been made and accepted by at least five hundred persons who intend to become members thereof, and have applied for assurance amounting in the aggregate to a sum not less than five hundred thousand dollars.
6. The said Company shall not deal or trade...
(An extract from the Act to incorporate The Mutual Life, assented to Dec. 19, 1868)
When a charter was granted to The Mutual Life on Dec. 19, 1868, the Company was owned by 500 policyholders. Since then many thousands have taken out membership in the Company and during the year just closed over 16,000 new policies issued have brought the total membership to 155,000. In the intervening years thousands of others have received the proceeds of matured policies or death claims.
The choice of The Mutual Life of Canada for protection and savings policies by a constantly increasing number of Canadians has resulted in the closing of each of the past 68 years of business with more insurance in force than at the beginning of the year.
1710 Employed
At the present time 1710 Canadians are being given employment by The Mutual Life of Canada—710 members of the Head Office and Branch Office staffs, and approximately 1000 representatives from coast to coast.
ISSUED ON BEHALF OF THE 155,000 MEMBERS OF THE
MUTUAL LIFE OF CANADA
"Owned by the Policyholders"
Head Office - Waterloo, Ont.
Toronto Offices —
Canada Permanent Bldg. (Phone ELgin 4356)
Toronto Star Building - (Phone ELgin 8372)

"I URGE WORLD-WIDE TARIFF REVISION"

—(SIR JOHN AIRD)

The Canadian Bank of Commerce Reports Progress for 1936

General Manager S. H. Logan Notes Upward Trend of Loans

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held at the Head Office in the City of Toronto January 12th. After the reading of the Report the General Manager, Mr. S. H. Logan, and the President, Sir John Aird, addressed the meeting.

GENERAL MANAGER'S ADDRESS

Moderate progress in practically every department of the Bank is reflected in the Annual Statement presented to you to-day.

Total assets rose during the year by $8,200,000 to $637,700,000. Quick assets increased by over $30,000,000 to $394,000,000, which represented 67 per cent. of the total liabilities to the public, as compared with a ratio of 63 per cent. for the previous year.

Total deposits show an increase of $8,400,000, but substantial changes took place during the year in the items making up that aggregate. For example, a gain of $39,500,000 in non-interest bearing deposits was largely offset by two reductions. One of $15,200,000 was in interest-bearing deposits due to the discontinuance by all banks early in 1936 of the payment of interest on current accounts, and the other of $15,800,000 was in Government deposits and deposits by other banks. You will remember that in our last Annual Report I stated we were carrying at that time some quite large deposits of a purely temporary nature.

Our cash position at the year end was unusually strong. Combining cash with notes and cheques on other banks and balances with other banks, the Statement shows a total of $119,000,000.

Security holdings rose during the year by $2,600,000 to a total of $222,000,000.

Total loans of the Bank, which, including call loans, aggregated $253,000,000, declined by only $7,500,000, notwithstanding extensive liquidation of some large advances made in former years to public utilities and for the carrying of wheat.

Call loans outside Canada rose by $9,400,000 and those in Canada by $6,800,000.

Current loans outside Canada increased by $2,000,000, but on the other hand current loans in Canada decreased by $19,700,000. The low point resulting from this liquidation was reached in June last, since which time current loans gradually increased by about $20,000,000. Part of this gain was seasonal but the tendency of loans is, nevertheless, still upward.

Net profits (after deducting taxes) of $2,900,000, showed an improvement of $120,000 in comparison with our earnings in 1935.

The foregoing summarizes the outstanding features of the Statement.

PERSONAL LOAN DEPARTMENT

The inauguration by the Bank of Personal Loan Departments has already been mentioned in the Directors' Report. I might add that every one of our branches in Canada is now equipped to make these loans to people with small but steady incomes who find themselves in temporary need of financial help.

The terms upon which this help is given compare very favourably with those offered by others who lend to people in this category, and should, we believe, prove both acceptable and convenient to many borrowers who have not in the past been aware that the lending facilities of banks were available to them.

The plan is one which enables the wage earner to cope with emergencies, to make expenditures of advantage to himself and his family, or, by consolidating debts already incurred, to ease the pressure upon him by permitting their payment under a budgetary plan. I would stress the fact that in no circumstances does the plan encourage the borrower to incur debt beyond the sum which he estimates is well within his capacity to pay.

During the six months that the plan has been in operation we have made nearly 15,000 loans, which we feel proves that the Bank is offering a real and valuable service which the community appreciates. It will of course take a greater volume of loans to place the Departments on a profitable basis but we are confident that our anticipations of fair remuneration will be realized.

We are, as well, willingly cooperating in the Home Improvement programme of the Dominion Government by making loans of a personal character at a low rate of interest. These loans should not only help numerous home owners to make their dwellings more comfortable, but should also provide, in the national interest, a stimulus to the building trade—an important field where unfortunately recovery still lags.

You may be interested in some information from the latest annual return to the Government which classifies our loans in Canada by the borrowers' occupations.

DISTRIBUTION OF LOANS

The largest single occupational group, out of a total of 81,000 borrowers, consists of some 29,800 customers engaged directly in agriculture. Loans to sundry individuals not specifically classified by occupation numbered 35,700. As regards the distribution in amount of total loans, agricultural loans, including the financing of grain from the farm to the export market, accounted for 21 per cent., manufacturers and other producers took 18 per cent., while wholesalers and retailers absorbed 7 per cent. Private individuals borrowed 15 per cent., governments and municipalities 14 per cent., brokers and bond dealers 13 per cent., while construction, because of its low ebb, accounted for only 3 per cent. It is interesting to observe how closely these percentages compare with those of the last Dominion census classifying gainfully employed Canadians by the occupations which they followed.

These figures indicate how wide and varied is the field served by the Canadian banking system, and how large is the number of borrowers who rely on the aid of bank loans in the conduct of their affairs.

There are men, of whom a few are in positions of responsibility, who decry our banking system as a mechanism which, for the benefit of bankers alone, enslaves the people by forcing upon them an ever increasing burden of debt from which they can never hope to escape. To this cause, they claim, can be attributed all hardship and poverty and they urge, therefore, that the system should be changed.

Loans are, however, never forced by the banks on unwilling borrowers, but are sought by borrowers in the expectation that borrowing will be to their advantage. Unless the banker, on examination of the facts, agrees that such expectations are reasonable he is most likely to deny the applicant's request and will at least attempt to dissuade him from the venture. Since borrowers take the initiative in obtaining loans it is absurd to say that the banks force debt upon them.

In some cases the combined judgment and anticipations of the borrower and banker prove at fault and loss is involved to one or both, but the vast majority of loans do aid the borrower in improving his position and are paid off by him at maturity without difficulty. If this were not so no bank could long survive. No system devised by the ingenuity of man will, however, permit escape from the marginal loss due to human error and miscalculation.

IMPRESSIVE BUSINESS GAINS

Our domestic situation is one which encourages optimism.

The signs of business improvement for some time evident in Canada are, at least in the more thickly settled areas, becoming much more pronounced. This improvement is especially remarkable because it has developed, and is sustained, in the face of many adverse conditions. Field crop failures were widespread in 1936 owing to the most unusual weather, yet the smaller yield was of such high quality, and in such keen demand, that its value was greater than last year by 80 million dollars. Total agricultural income is estimated to have risen by 15 per cent. and to have brought farm purchasing power close to the level of 1930.

Our satisfaction over these surprisingly good results in a year when agriculture faced immense handicaps must, however, be tempered by a realization that many farmers in the worst drought areas did not share in these higher returns. A number are suffering from the cumulative effects of recurring crop damage and are in acute distress. But the fact remains that two-thirds of the agricultural community, farmers and their dependents, are in an improved position.

With few exceptions our industries have operated at a normal rate of activity. Virtually all of our modern manufacturing facilities in the forestry branch have been utilized in providing about 40 per cent. of the world's requirements of newsprint paper and at least 15 per cent. of the world trade in lumber. During recent months, moreover, logging activity was more than one-third greater than in the like period in 1935, which foreshadows an even higher production for newsprint paper and lumber mills in the current year.

The heavy, or capital goods, industries have surged forward at a pace beyond expectations. Notwithstanding the slow recovery of construction, a large and representative group of the heavy industries, whose production records are available to the Bank, are now operating at an average rate 50 per cent. greater than two years ago. I suggest that the revival in this particular line is one of the brightest features in our general economic situation. The re-employment of a host of trained workmen, whose skill was being impaired by idleness, removes a very real threat of a loss to Canada in industrial efficiency. It indicates also that other branches of manufacture are commencing to bring idle capital into use to provide replacement of obsolete equipment.

Canada Definitely Turned Toward Prosperity

Except in Drought Areas All Parts of Canada, including Two-thirds Farms, show Improved Conditions.

Abundance of Capital awaiting Investment but over-speculation and over-investment must not be encouraged.

Sound International Money System Indispensable to World's Economic Recovery.

Tariff Revision is Urged to Protect Consumers and Prevent Relief Expenditures from Overwhelming Budgets.

NEW MINING RECORD SET

The Canadian mining industry has shown great strength in recent years and has gained a leading position in the international base metal market. In 1936 our production of minerals was valued at $360,000,000, the largest amount on record for Canada. With the exception of the return paid on foreign capital employed, and the cost of equipment unobtainable in this country, virtually all of this sum has been, or is being, disbursed in Canada to pay for labour, supplies, transportation and other services and as dividends to Canadian investors.

These immediate advantages, and those derived from the firm resistance offered by our mining activities to the effects of the depression, are generally recognized and appreciated. There are others which may be overlooked, although of equal or greater importance, but which must eventually come to a country so richly endowed with minerals as Canada.

Sources of energy and metals conveniently at hand have played an important part in industrial growth the world over. Wherever generous mineral deposits have been found (as, for example, in the United States) the mining industry has passed through several stages of development which have led finally, not only to the establishment of large metal fabricating units, but to a great variety of other industrial plants and, incidentally, to a substantial increase in population.

We have made some progress along this path, for our vast mineral areas are being diligently explored and already yield thirty of the fifty minerals for which there is the most substantial world demand. We have developed metallurgical units which rank among the most important in the world, and we are now smelting and refining a large proportion of the metals we have for sale abroad. Thus we have laid the foundation for establishing a great industrial structure based upon our mineral resources and their conversion in Canada into manufactured goods for home and foreign consumption.

Pending the expansion of Canadian industry to the latter stage our metal producers have been able, in sharp competition with those elsewhere, to place about 90 per cent. of their products in foreign markets. Minerals and their products, indeed, accounted for about one-quarter of all Canadian exports in 1936.

EXPORT TRADE REACHED BILLION MARK

We have every reason to congratulate ourselves on the record of our general export trade. We reached the billion dollar mark for the first time since 1929, when exports stood at $1,200,000,000.

This achievement is the more remarkable because the general price level in that interval has fallen by 22 per cent. If, therefore, our present volume of export trade were calculated in terms of 1929 values the result would exceed the total of that year by about $80,000,000. On a comparable basis it would be about $65,000,000 higher than exports in 1926, which is generally regarded as a normal post-war year. It is, moreover, doubtful whether at any time the benefits of our export trade have been so well distributed among Canada's various industries as in 1936.

When we compare the results in Canadian export trade with those achieved by other countries our good fortune is emphasized, for I find that the rate of increase in the average monthly gold value of our exports during the first ten months of 1936 over 1935 was not only triple the rate of increase of the world as a whole, but was also greater than that of any other major exporting country.

Canada improved its position among the world's exporters by drawing ahead of France into fourth place, and by further widening the margin between its level of export trade and that of Japan, which continues to occupy sixth place.

As was to be expected, the striking increase in exports stimulated our demand for imports, which rose by over 10 per cent. The final result was a margin of exports over imports in excess of $350,000,000, and thus we had to our credit the third largest merchandise trade balance this country has enjoyed in the post-war period.

The hazards and hardships of pioneering in a new country would have overwhelmed our forefathers had they not possessed vision, energy and courage. I believe that these qualities still survive in our people, that they will enable us to solve the problems which now confront us and so to develop our heritage that we shall ensure an enviable future for Canada.

President Aird Favours Removal of Trade Restrictions

SIR JOHN AIRD'S ADDRESS

When I last addressed you at our Annual Meeting a year ago we had every reason to expect that the year then beginning would prove at least as favourable as the preceding one. Many of our hopes have been realized. There was a forward movement during the early months of the year of such proportions as to lead to a definite turn toward moderate prosperity. As the year advanced the prospect of satisfactory crops and of fairly good returns from business seemed to assure a financial and industrial revival. In the early summer, however, it became apparent that severe drought over a large part of North America would cause a material dislocation in business. Yet Canada has stood the shock of this unfortunate development so well that her present economic condition approaches prosperity. In fact, a healthy prosperity of the 1925-27 order actually exists in many sections of the country, notably over most of our vast mining domain, in areas of good crop yields such as the Maritime Provinces and extensive sections of Quebec and Eastern and Western Ontario, as well as in important lumbering districts, such as the Pacific Coast, where production has been greatly expanded.

Taking the Prairie Provinces as a whole a substantial improvement is shown during the year, the advance being quite marked in those areas where good crops were harvested. Although the total figures for the wheat crop were below the small yield of 1935 the grade was exceptionally high. With the very welcome improvement in price which came last year the effect has been to raise the value of all grain production to at least 250 million dollars, fully 30 millions in excess of that of 1935.

REQUISITES FOR FURTHER PROGRESS

Where prosperity still lags it can be stimulated by a further development of natural forces of recovery, by normal crop conditions this year, by a practical policy of grain marketing, by necessary reconstruction measures in the West, by strict observance of the principles of good credit and by more determined efforts to balance our public budgets. I might add that the observance of the principles of good credit, is necessary as much by lenders as by borrowers. As the last depression taught us, hard times can be caused and prolonged by poor crediting in one way, by excessive selling on the instalment-payment plan, which creates a mass of debt to be liquidated from declining incomes in a period of diminishing employment.

These are the requisite factors applicable to any section of Canada that desires to share fully in a general advance which may be of such dimensions as to surprise the most optimistic. Certainly many of the elements of world economic progress are now present. Productive facilities are greater and more efficient than ever before, transportation and communication services have been greatly improved and new inventions are ready for commercial development on a large scale, or, as in the case of television, are close to the stage of practical use. Moreover, an abundance of capital is awaiting investment in channels where it can find safe and profitable employment. Indeed, the question to-day appears to be not whether the present business revival will continue, but firstly, whether the prospective development of business can be prevented from assuming boom proportions with consequent over-speculation in the stock market and over-investment in industry; and, secondly, whether rearmament, which now induces a feverish demand for certain materials, can be replaced by constructive and more desirable enterprise. In regard to the first question, it seems that there will soon be tested the value of the theory already put into practice by some governments that official control over finance is the solution of economic problems, including monetary panics and the trade cycle of alternating booms and depressions. The other question, as to whether natural trade remedies can be applied to world economy when, if ever, this unfortunate rearmament race slows down, must also be answered mainly by the future economic policies of the governments of the world.

Among the measures which governments can take to assist international business recovery are those which have been advocated in this room for many years, for so long indeed, and with such little effect, that their advocacy almost seemed that of a lost cause. Yet an approach to their realization has already been made through the lowering of some tariff walls, and by the undoubted trend toward an international monetary system from the isolation of national currency systems devised after the abandonment of the gold standard.

WORLD-WIDE TARIFF REVISION NEEDED

This country, dependent upon external markets to the extent that it has to export about 30 per cent. of its natural production, and therefore highly sensitive to foreign developments, should be thankful for a partial return to less restricted trade and exchange policies. I shall not qualify my former expressions against excessive trade restrictions because of their depressing effect upon business. But now I urge world-wide tariff revision for two other reasons, namely, to protect the consuming masses against possible sharp increases in living costs, and to prevent the large governmental expenditures still necessary for public relief from mounting so high as to nullify efforts to achieve budgetary balance. World commodity prices display a pronounced upward trend because an increased consumption has coincided with curtailing production in certain industries, while at the same time prices have not been subjected to the check exerted upon them when trade enjoyed greater freedom and all producers were obliged to meet world price-making conditions.

INTERNATIONAL CURRENCY AGREEMENT

The tripartite monetary agreement announced by Great Britain, France and the United States last September denounced, in effect, competitive currency depreciation, and in a sense renounced the system of national currency management which had formerly been in vogue. Most important of all, it confirmed the belief, so often expressed at our former meetings, that the re-establishment of an international monetary system is an indispensable condition of complete economic recovery. There is still much to be done and it may be years before actual stabilization can be accomplished and the world again has a common standard of currency values based upon gold, at such parities as may be found practicable. But it is nevertheless highly gratifying that there is now at least a semblance of monetary unity and that business transactions are less hazardous than when the exchanges were continuously subject to wide fluctuations.

MAINTENANCE OF CANADA'S CREDIT

It should be a source of pride to all citizens of Canada that we have come through the deep and unprecedented depression of the past seven years without default on the part of the Dominion and, with only one exception, all its Provinces in meeting principal and interest upon their issued securities, whether maturing in Canada or elsewhere. Apart from the sense of satisfaction arising from the honourable fulfilment of public contractual obligations, Canada will undoubtedly reap the material benefit of an influx of capital which, had we failed to maintain our national credit standing, would certainly not now be available.

PROBLEM OF UNEMPLOYMENT

Canada's most urgent national problem is that of unemployment which, notwithstanding the marked improvement in our domestic business and foreign trade persists in undiminished degree in the Dominion as a whole, although showing recession in several Provinces. That there is abuse of our relief system is undoubted, but making all allowance for this factor the number of genuinely unemployed is very great. Before the problem can be dealt with intelligently we must have detailed information concerning the entire body of the unemployed with a complete classification according to their individual trades or callings and aptitude, having regard to age and state of health, for absorption into the nation's industrial life. It is a mistake to assume that a general improvement in business will alone suffice to absorb this vast body of unemployed. Widespread improvement in business may be brought about by stimulation of certain classes of production, such as we now see in the case of our mining industry, and in the greatly increased activity in some of our manufacturing lines such as the motor-car and allied industries. But a general improvement due to causes such as these will not solve the problem of unemployment although it will of course materially assist. There will still remain an army of unemployed whose skill and energy cannot be availed of because the industries or trades to which they belong have lagged in the process of recovery. An example of this is to be found in the case of the building or constructional enterprises which are of such vital importance in the matter of employment. Once an authoritative survey is made as to the classes of the unemployed and their distribution throughout the Dominion, Governmental policies can be intelligently directed toward meeting the situation by public works or otherwise, as may be deemed most expedient. Stability of currency is essential to the revival of private constructional or durable enterprises which furnish so much and so productive employment. Such enterprises are financed by the issue of long-term securities to the investing public. As long as national budgets remain unbalanced, with accompanying currency or credit inflation, uncertainty is bound to persist concerning the future value of the monetary unit. Investors will therefore hesitate to commit their savings to securities maturing in the distant future payable as to principal and interest in currency whose purchasing power may during the long intervening period suffer material decline. The main cause of inflation is unbalanced national budgets. The remedy for inflation is the balancing of these budgets. So long as national budgets show no promise of great improvement so long will distrust prevail in the minds of investors and finally, should the deficits continue with no prospect of termination, confidence may be entirely lost with consequences with which the history of inflation in many countries has made us all familiar. I understand that the National Employment Commission appointed during the past year by the Dominion Government is now engaged in a survey on unemployment such as I have mentioned. When this is completed reliable information will be available upon which public policies may be based in the endeavour to solve this most intricate and perplexing national problem.

GRAIN MARKETING POLICY

I have suggested the need of a practical policy of grain marketing and of necessary reconstruction measures in the West. There is a disposition on the part of many in the West to insist upon a guaranteed price for wheat, even if this be higher than the world price and involve the risk of a heavy burden upon public treasuries. I am free to admit that the problems of the West are not as well understood as they should be and that the prairie grain growers have had grievances in the past in the obvious disadvantage of selling their products at world prices, sometimes at ruinously low figures, and of buying their requirements in a highly protected domestic market. Some adjustment of this unbalanced situation has been effected by the tariff revisions of the past year, by the spread of industrialism in the West (forty new industries were established in Winnipeg alone in 1936 and fifty new products added to the output of existing manufacturers) and by the more rapid increase in the prices of agricultural products than of retail goods. It seems clear that further measures to restore agricultural purchasing power are most desirable, and I heartily endorse the proposal that the affairs of the Prairie Provinces undergo a thorough examination by a Royal Commission with a view to their speedy improvement. I need not, however, remind the people of these Provinces that their fellow-citizens of other Provinces bearing in common with themselves the heavy burden of mounting taxes due to relief and other Governmental expenditures in special aid of distressed areas, naturally look askance at any proposal to make up, year after year, any difference there may be between a required guaranteed price and the world price of wheat. The tax payers are apt to consider this proposal as an admission of inability to adopt the best production policies and marketing methods. For my part I retain the greatest faith in the ability of the West to achieve a well-balanced, profitable agricultural system, and I cherish the belief that the great majority of its capable and self-reliant citizens will favour the policy of meeting price conditions relating to their production without seeking to impose upon themselves and other sections of the Dominion the heavy annual risk involved in maintaining an artificial guaranteed price.

WORLD'S WHEAT REQUIREMENTS

It should be recognized that the present alignment of the world wheat supply in relation to demand is due more to exceptional crop damage over a large area than to increased consumption. Since 1932 the annual requirements of wheat importing countries from the major exporting group, including Canada, have averaged about 500 million bushels, as compared with the previous 5-year average of 760 millions, owing mainly to the desire of these importers to make themselves as independent as possible of overseas wheat. Yet there is a clearly discernible tendency on the part of exporting countries to expand their acreage even beyond that which they sowed during the period when wheat-deficient nations were importing most heavily. It goes without saying that the policy of self-sufficiency followed by many countries, which were formerly large markets for foreign wheat, is economically and socially unsound, but it may not be altered materially for a long time. Thus, the exporting group faces the prospect of a subnormal market and, with the return sooner or later of average crops, another period of excessive supplies, in which the best results will accrue to growers with superior production and marketing practices. There is therefore as imperative a need as ever for improvement in the efficiency of Western agriculture and for aggressive sales policies, as well as for more strenuous efforts to diversify farming and to withdraw submarginal lands from cultivation.

CONSOLIDATION OF GOVERNMENT SERVICES

There is also national as well as regional reconstruction to consider carefully. If, contrary to the opinion this Bank has expressed for many years, legislative union of some of the Provinces is not regarded as feasible, there seems no valid objection to consolidation of certain services so as to end their duplication, particularly as between the Dominion, the Provincial and the Municipal Governments. There should be less objection to Municipal union than to Provincial, for with about four thousand municipal bodies we are greatly over-manned in local government. There is also the urgent need, as I stated last year, for an overhauling of our taxation systems so as to eliminate the overlapping which is now all too apparent, as well as to correct many inequitable and oppressive features of Dominion, Provincial and Municipal taxation.

PRESERVATION OF FOREST RESOURCES

Legislative reform of the foregoing types is essential, not only to aid our governments in reaching the goal they all desire, budgetary balance, but also to enable them to make new expenditures in two great national assets, our forests and our transportation systems. Our timber stands are among the most valuable of our resources, for with the complementary wood manufacturing industries they have a total annual production value of nearly 600 million dollars and furnish employment to about 250,000 people. Great as are the benefits from such extensive operations, they are derived from a continuously wasting asset, for with losses from cutting, fire, disease and destructive insects there is an annual forest depletion of nearly four billion cubic feet, which is not believed to be offset by new growth. If, therefore, as forestry experts claim, the growth increment is less than the total depletion, we are living off our forest capital, a condition which could be remedied by a system of real forest management. Unless steps are taken by governments for the replacement of timber cut and lost from other causes, we shall be faced before many years have elapsed with the disastrous consequences of our wilful neglect of this most valuable natural resource.

CANADIAN NATIONAL RAILWAYS

We have been so concerned over the unsatisfactory earning power of the railway companies, and particularly over the recurring deficits of the Canadian National Railways, that we have overlooked the gravity of another transportation problem, that of reconditioning these systems. While both companies are models of operating efficiency, they have considerable obsolete or out-of-date equipment and the question of replacement is a pressing one. We may safely leave the problem of adequate new equipment for the Canadian Pacific Railway to the directors of that company, but the problem in respect to the Canadian National Railways is a public matter. This important public utility must be kept in efficient condition by the provision of modern equipment, and while large capital expenditures would of course be necessary for that purpose, they might be justified by the lower operating costs which could reasonably be expected to follow the use of the more economical motive power units now available, as well as by the greater financial returns which would probably result from the introduction of more rapid freight and express service and more attractive travelling conditions.

CONFIDENCE NEEDED

We in this country are among the most fortunate of all peoples. We have succeeded in overcoming most of the forces of depression. We are exempt from that clash of violent and undemocratic elements which in Europe have betrayed the cause of peace and have had much to do with making that Continent the habitation of fear, hatred, civil strife and potential world war. Yet our economic position is challenging as well as heartening. It is challenging because our economic freedom presents the opportunity of repairing the errors of the past and of making the next period of prosperity more general and durable than those of former eras. There are many requirements essential to the attainment of that desirable ideal. I would remind you of one I have stressed at some of our previous meetings. It is confidence, of that type which rises above discouragement, faction and intolerance and which is the moral and hence the most powerful influence in business, and indeed in all relations between man and man, and between nation and nation. With that confidence, coupled with industrial enterprise and the vast national assets at our command, we can establish our economic and social life on a higher plane than has previously been enjoyed by the Canadian people.

Elliott-Walker Findings Attract Cockroft's Fire

From Our Own Correspondent

EDMONTON.—Basing his case on what he calls a "further analysis" of the figures used in the Elliott-Walker report to the Alberta Bondholders' Committee, Hon. Charles Cockroft, provincial treasurer in the Aberhart Government, states that instead of having a margin of income of $393 millions in the period 1929-34, after allowing for living costs, indirect taxation and a portion of savings, the people of Alberta "sustained a loss of $164 millions."

This conclusion, presented in an address before the annual convention of the Association of Alberta Municipalities, represents the first serious attempt on the part of a member of the Government to attack the findings of the Elliott-Walker report.

The conclusion of the Elliott-Walker report, Mr. Cockroft pointed out, was arrived at by ascertaining gross production of the province and deducting from this the total amount of retail sales plus the cost of certain additional services such as transportation, finance and medical attention. On this basis the margin of income available to meet the costs of Government were:

	millions		millions
1929	$53.3	1932	$69.4
1930	34.1	1933	60.8
1931	85.3	1934	90.8

Did Not Go Far Enough

"I am inclined," said Mr. Cockroft, "to the view that the analysis did not go quite far enough, for I find in looking up other sections of the report that the decrease in Alberta wealth between 1929 and 1934 was $392 millions.

"I have also noted that the interest charges for both provincial and municipal purposes in 1927, the year in which production was at its peak, was $9.5 millions, being 4% of the margin of income. By 1930, interest charges had increased to $11.5 millions, or 34% of the margin of income. By 1934, interest charges had increased to $12.5 millions, being 14% of the margin of income. If the total taxes paid in the province were added to the interest paid, I find that total payments in 1930 were 85% of the margin of income estimated by the report and in 1934, 33%.

"Between the years 1929 and 1934, the aggregate margin of income was $393 millions while the total taxes and interest paid during the period was $180 millions. This leaves a balance of $213 millions less than the decrease in wealth which was sustained by the people of the province. In other words, rather than having a margin of income to meet debt charges, as submitted by the report, it would look to me as though a complete analysis shows that instead of having a margin of income, this province has sustained a loss of $164 millions.

"I cannot fail to take cognizance of the fact that total purchases made by the people of this province during these years were inadequate to meet their needs if many were to maintain the standard of living to which they are entitled. The same condition applies in regard to deduction for services, for I find that expenditures for services in 1930 were $31 millions less than in 1927. In other words, the people of Alberta expended less than half for these services in 1930 than they did in 1927.

Wheat Sold Below Cost

"I also find on analyzing this difficult (wheat) problem that production was much below cost. In the year 1933-34 the average track price of No. 1 wheat in Alberta was 35 cents a bushel. I am quite sure that many of those engaged in agricultural production would maintain that this price should be at least 50% higher to enable those engaged in wheat production to produce at a profit. If this is the case then the average annual loss suffered by the agricultural industry in this period was $50 millions.

"If the conclusions which have been submitted in the report are the answer to a complete mathematical problem, it should be taken for granted that those industries which suffered a loss during the years in question must have been offset by those industries which showed a gain. This has brought more forcibly to my mind than ever that those engaged in the production of primary products have not been receiving the consideration which they should have received during those difficult years."

Errors In Approach

In commenting on Mr. Cockroft's reply, Courtland Elliott pointed out that there are several errors in his approach to the bondholders' report.

In the first place, provincial and municipal interest are paid out of taxes and there is therefore no ground for adding interest to taxes as Mr. Cockroft does. Furthermore, in calculating the estimated loss of $164 millions, Mr. Cockroft fails to recognize the difference between income and capital values. The decline in capital values was not an out-of-pocket loss such as a decline in earnings. Tangible wealth was not affected by the deflationary forces in the way that a catastrophe such as an earthquake or flood can bring destruction. The wealth of Canada, and of the Prairies, remained intact. The change was in its valuation. In other words the decline in wealth values was to a large extent a "paper loss" and as business revives these values may be recovered, Mr. Elliott stated.

Federal Gov't Deficit Down For 9 Months

Budget Improvement to Dec. 31 Is $57.6 Millions

EXPENSES LOWER

Improvement in the budget position of the Dominion Government continues, net betterment for the nine months ended Dec. 31 being $57.6 millions. Deficit for the period amounted to $25.5 millions, compared with $83.1 millions in the corresponding period of 1935.

On ordinary account, that is exclusive of such special expenditures as unemployment relief, the Government reports a surplus of $62.6 millions, compared with $18.9 millions in the corresponding period of the 1935-36 fiscal year.

The improvement has been largely due to buoyant revenues, receipts for the nine months being up $52.6 millions. While special and capital expenditures have been reduced, these have been offset in part by increases in ordinary expenditures, the combined items showing a reduction of only $4.9 millions.

Gain In Revenue

The gain in revenue to date is already in excess of the $46 millions increase estimated by the budget. If the present rate of increase continues throughout the remaining three months of the fiscal year then the gain in revenue alone will be sufficient to reduce the deficit below the $100 millions mark. In the year ended March 31, 1936, the Government reported a deficit of $162 millions.

Loan and advances will also show marked reduction due to fewer loans to the western provinces under the relief acts and to smaller loans to the C.N.R. for refunding purposes.

Revenue and Expenditure
Nine Months Ended Dec. 31

	1936	1935	Change
Revenue:	$000's	$000's	$000's
Customs duty	61,630	56,641	+ 4,989
Excise duty	35,671	35,261	+ 410
Excise taxes	108,724	82,916	+25,808
Income tax	91,532	73,250	+18,282
Gold tax	....	1,413	— 1,413
Post office	24,891	23,889	+ 1,002
Sundry	16,752	14,648	+ 2,104
Special	1,732	275	+ 1,457
Total	340,932	288,292	+52,640
Expenditure:			
Ordinary	276,514	270,058	+ 6,456
Special	84,882	94,704	— 9,822
Capital	5,025	6,652	— 1,627
Total	366,421	371,414	— 4,993

Month of December

	1936	1935	Change
Revenue:			
Customs duty	7,130	5,326	+ 1,804
Excise duty	3,947	4,253	— 306
Excise taxes	14,134	10,259	+ 3,875
Income tax	3,877	3,550	+ 327
Post office	4,600	4,600	.....
Sundry	2,506	2,007	+ 499
Special	3	7	— 4
Total	36,197	30,002	+ 6,195
Expenditure:			
Ordinary	27,122	23,926	+ 3,196
Special	13,442	18,898	— 5,356
Capital	1,671	828	+ 843
Total	42,235	43,652	— 1,417

Loans and Investments
Nine Months Ended Dec. 31

	1936	1935
	$000's	$000's
Provincial govts.	8,354	28,528
Railways	5,721	1,939
Harbor Commissions	315	319
Farm Loan Board	7,776	4,050
Housing Act	801	6
Soldier & Land Settlem't	149	134
Bk. of Canada stock	5,100	.....
C.N.R. refunding	33,033	67,896
Total	61,249	102,970

Bank Chat

Personal Loans

APPARENTLY the personal loan department of the Bank of Commerce is not yet on a profitable basis. In his annual address this week, General Manager S. H. Logan reported that in the first six months of operation almost 15,000 of these "no-collateral" loans had been granted. However, he went on to state,

"It will, of course, take a greater volume of loans to place the departments on a profitable basis but we are confident that our anticipations of fair remuneration will be realized."

The results cannot be regarded as surprising. Until at least a year has passed, it will be most difficult to determine whether or not the scheme will meet with a profit. Meanwhile, the organization difficulties have largely been overcome, and the loans are now available at every one of the bank's offices in Canada.

* * *

81,000 Borrowers

A BREAK DOWN of the Bank of Commerce's commercial and Government loans is most instructive. Unfortunately, comparative figures for the previous year are not available. But at Oct. 31, 1936, borrowers from the bank numbered 81,000, approximately 8,000 more than in 1935. Loans to individuals, not specifically classified by occupation, form the largest single group, totalling 35,700. Of the remainder, some 29,800 loans have been made to borrowers directly engaged in agriculture.

Agricultural loans head the list in respect to amount as well as number, accounting for 21% of the total. Manufacturers and other producers total 18%; private individuals 15%; governments and municipalities 14%; brokers and bond dealers 13%; wholesalers and retailers 7%; and construction only 3%.

* * *

Earnings Statements

THE Canadian banks might well take a tip from some of their American brothers. Six of the New York banks have issued statements showing operating earnings exclusive of recoveries and of profits realized on the sale of securities during the year. In this way, the less stable elements of bank revenue are separated, and an opportunity is afforded to more truly gauge earnings possibilities.

That these items are at present a most important factor in bank profits is indicated by the New York returns. With only one exception they have added very substantially to operating earnings. The First National Bank, for instance, shows earnings of $103.61 a share before considering recoveries and security profits. When this is done, profits soar to $263.89.

Similarly in Canada, reference was made recently by the Bank of Toronto, in a very general way, to recoveries of loans written off as "bad," as a major influence in the 42% rise in profits during 1936.

* * *

Government Policies

SPEAKING of American banking, last year was featured by the effects of government policy. Federal borrowing is regarded one of the major causes of mounting deposits, and governmental monetary policy has been the principal reason for the extremely low rates in the money market.

"Long strides were made during 1936 toward nationalization of the credit structure of the United States," says the Wall Street Journal in a review of the year, "and governmental regulation of banks and money rates is reflected directly in the earnings and assets position of the nation's banking institutions.

"Fundamental factors of greatest significance in the banking field last year were constantly mounting deposits, a limited but gradually increasing demand for commercial loans, stagnation of the money market and a tremendous influx of gold from abroad, excess reserves of member banks.

"All of these factors either were caused by governmental policy, or served as a basis for governmental action which has had a direct bearing upon the operation of commercial banks."

Bank of Canada Weekly Statement

Probably reflecting interest payments abroad at the beginning of the year, reserve of the Bank of Canada in sterling and United States funds dropped $3.7 millions in the week ended Jan. 6. Other changes, most of which were relatively small, included decreases of $2.3 millions in deposits of the Dominion Government and $1.1 million in note circulation.

Balance Sheet

	Jan. 6 $	Dec. 30 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	134,801,689	135,933,192
Rest fund	173,092	173,092
Dep.: Dominion	20,059,643	22,362,508
Banks	187,234,603	186,855,903
Other	2,366,995	2,200,826
Total deposits	209,661,241	211,419,237
All other liabs.	3,147,633	3,005,318
Total liabs.	357,883,656	360,630,839
Assets		
Reserve: Gold	179,356,013	179,371,410
Silver bullion	2,257,031	2,025,653
Res. in sterling and U. S.	9,382,640	13,055,240
Total reserve	190,995,684	194,452,303
Subsidiary coin	151,500	143,346
Investments:		
Dom. Govt. short	63,143,366	62,887,410
Other Dom. Govt.	98,593,208	99,384,491
Total invest.	161,736,574	162,271,901
Premises	350,820	370,384
All other assets	4,649,078	3,392,905
Total assets	357,883,656	360,630,839
Reserve ratio	55.44%	55.90%

Open to Foreign Novelties

The National Finnish Fair, held annually in Helsinki, the capital of Finland, will this year, for the first time, be open also for foreign exhibits not manufactured in Finland.

The Fair opens April 10 next and closes the 18th of same month.

Bank Statement Shows November Credit Lower

Marked Advance in Deposits Fails To Be Reflected in Higher Loans — Cash Position Exceptionally Strong

Credit conditions in Canada were less favorable in November, as indicated by The Financial Post credit index. Based on the percentage of call and current loans in Canada to demand and savings deposits, this barometer dipped to 36.3 for the month, after three successive advances had taken it in October to the highest point since early in 1936.

Cause of the decline was twofold. Deposits increased $52.1 millions, the most substantial advance in many months. Commercial loans, on the other hand, influenced in large measure by liquidation of grain advances, dipped $15.2 millions. Part of the loan decline was offset by a rise of $7.1 millions in call loans, reflecting greater activity on security markets.

The more important items affecting the Canadian credit situation compare as follows:

Use of Bank Credit in Canada
(In Millions of Dollars)

	Nov. 30 1936	Oct. 31 1936	Change	Nov. 30 1936	Change
Loans	915.9	924.6	— 8.7	1,075.5	—159.6
Investments	1,316.1	1,363.1	—47.0	1,137.0	+179.1
Total	2,232.0	2,287.7	—55.7	2,212.5	+ 19.5
Deposits	2,226.7	2,174.6	+52.1	2,087.4	+139.3

Despite higher deposits and the reduction in loans, investment holdings of the banks recorded sharp decrease, with a considerable part of the decline in short-term government issues. It is significant that deposits of the banks with the Bank of Canada rose by nearly the same amount, $32 millions, during the month. This lends weight to the belief that the central bank purchased securities from the banks. November marked the fiscal year end of several of the chartered institutions, and it is common knowledge that they like to show as strong a liquid position as possible in their annual statements.

Balances with foreign banks showed material increase over the month, advancing $23.9 millions. Another very substantial change is in Dominion Government balances with the banks which declined by $41.9 millions to $8.2 millions.

Comparative figures, as shown in the composite returns of the banks to the minister of finance, follow:

ASSETS

	November, 1936 $	October, 1936 $	Change $	November, 1935 $	Change $
Immediately Available Liquid Assets					
Canadian coin	5,077,409	4,860,865	+ 216,544	5,047,982	+ 29,427
Bk of Can. notes	44,178,891	44,340,624	— 161,733	36,709,251	+ 7,469,640
Bank of Can. depos.	214,920,328	182,876,712	+32,043,616	186,723,085	+ 28,197,243
Bank's cash	264,176,628	232,078,201	+32,098,427	228,480,318	+ 35,696,310
Other bank notes	7,425,852	6,006,622	+ 1,419,230	6,432,130	+ 993,722
Gold & sub. coin ab'd.	7,236 737	7,705,177	— 468,440	9,738,050	— 2,501,313
Foreign banks	143,409,022	119,448,854	+23,860,166	131,626,487	+ 11,682,535
Foreign curr.	22,786,330	23,448,649	— 662,319	23,236,277	— 449,947
Gov. sec. short term	425,327,103	461,869,458	—36,542,355	348,509,746	+ 76,817,357
Do., long term	633,332,863	634,805,087	— 1,472,224	596,790,831	+ 36,542,032
Call loans abroad	74,671,142	66,258,008	+ 8,413,134	59,711,214	+ 14,959,928
	1,578,265,677	1,551,620,056	+26,645,621	1,404,525,053	+173,740,624
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	108,944,163	112,053,439	— 3,109,276	99,214,857	+ 9,729,306
Public secs.♦	40,271,658	50,393,714	—10,122,056	39,694,568	+ 577,090
Other secs.	108,183,042	103,951,963	+ 4,231,079	52,794,410	+ 55,388,632
Can. call loans	115,669 406	108,547,066	+ 7,122,340	95,901,988	+ 19,767,418
Current loans	692,647,974	707,850,681	—15,202,707	856,839,840	—164,191,866
Loans abroad	156,407,516	160,359,901	— 3,952,385	138,965,853	+ 17,441,663
Prov. loans	17,943,695	14,711,503	+ 3,232,192	22,585,150	— 4,641,455
Mun. loans	89,638,474	93,517,715	— 3,879,241	100,196,754	— 10,558,280
	1,329,705,928	1,351,385,982	—21,680,054	1,406,193,420	— 76,487,492
Other Assets					
Non-curr. loans	12,302,439	12,922,236	— 619,797	13,469,731	— 1,167,292
Real estate	8,790,766	8,964,196	— 173,430	8,607,518	+ 183,248
Mortgages	4,380,806	4,510,841	— 130,035	5,330,533	— 949,727
Premises	74,966,319	74,773,993	+ 192,326	76,114,904	— 1,148,585
Letters of credit	62,856,534	64,267,847	— 1,411,313	59,425,443	+ 3,431,091
Loans to comp.	9,561,794	9,650,163	— 88,369	10,979,244	— 1,417,450
Other assets	1,521,656	1,529,519	— 7,863	1,706,548	— 184,892
	174,380,314	176,618,795	— 2,238,481	175,633,921	— 1,253,607
Total	3,082,351,919	3,079,624,833	+ 2,727,086	2,986,352,394	+ 95,999,525
Note circ. dep.	7,035,985	7,031,645	+ 4,340	6,869,389	+ 166,596
Int. bank bal.	117,141,040	115,681,528	+ 1,459,512	98,535,958	+ 18,605,082
Gross	3,206,528,944	3,202,338,006	+ 4,190,938	3,091,757,741	+114,771,203
Liabilities					
To the Public					
Circulation	116,023,209	117,971,877	— 1,948,668	130,526,762	— 14,503,353
Dom. Govt.	8,187,337	50,045,200	—41,857,863	38,593,102	— 30,405,765
Prov. Govt.	33,821,957	36,177,434	— 2,355,477	47,541,064	— 13,719,107
Deposits by Public					
Demand dep.	679,975,818	664,281,664	+15,694,154	613,269,891	+ 66,705,927
Savings dep.	1,546,776,305	1,510,319,426	+36,456,879	1,474,123,395	+ 72,653,910
Total	2,226,752,123	2,174,601,090	+52,151,033	2,087,392,286	+139,359,837
Foreign dep.	414,548,166	408,490,394	+ 6,057,772	382,658,439	+ 31,889,727
Due to Banks Abroad, Etc.					
United Kingdom	7,747,355	9,463,299	— 1,715,944	12,299,964	— 4,552,609
Foreign	30,843,056	30,310,640	+ 532,416	27,725,433	+ 3,117,623
Bills payable	833,901	981,004	— 147,103	1,474,403	— 640,502
Letters of credit	62,856,534	64,267,847	— 1,411,513	59,425,443	+ 3,431,091
Other liabs.	2,953,007	2,600,992	+ 352,015	2,705,352	+ 247,655
Total public liab.	2,904,566,645	2,894,909,777	+ 9,656,868	2,790,342,248	+114,224,397
Due bet. banks	11,685,193	13,600,970	— 1,915,777	12,253,796	— 568,603
Liability to Shareholders					
Dividends	2,947,693	2,542,761	+ 404,932	2,950,309	— 2,616
Reserve	133,750,000	133,750,000	....	132,750,000	+ 1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,198,449,531	3,190,303,508	+ 8,146,023	3,083,796,353	+ 14,653,178
Credit index*	36.3%	37.5%	—1.2%	45.7%	—9.4%

♦Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Weekly Bank Clearings

	Jan. 7 1937 $	Change year ago %	Dec. 31 1936 $
Halifax	3,099,237	+11.9	1,801,571
Saint John	2,019,369	+ 9.0	1,531,854
Moncton	743,219	— 1.4	624,079
Sherbrooke	545,832	—10.9	515,607
Quebec	4,122,149	— 3.7	4,301,028
Montreal	106,555,451	— 9.2	93,278,710
Ottawa	24,589,717	— 3.0	15,122,615
Kingston	622,005	—11.4	425,574
Peterborough	783,496	+ 5.9	498,535
Toronto	143,606,354	+ 1.5	111,143,128
Hamilton	5,358,690	—12.2	3,869,128
Kitchener	1,163,892	— 8.0	943,122
Brantford	1,081,078	+16.6	726,165
London	3,324,791	—28.4	2,256,039
Chatham	679,021	+42.8	483,734
Windsor	2,924,592	+ 7.1	3,660,744
Sarnia	673,356	+28.8	308,761
Sudbury	835,395	+14.4	890,690
Fort William	726,285	+14.4	553,721
Winnipeg	40,939,268	—60.0	36,515,667
Brandon	397,414	+ 3.6	268,247
Regina	3,363,018	+11.5	4,158,047
Moose Jaw	740,039	+20.6	483,656
Saskatoon	1,593,018	+ 3.3	1,176,158
Prince Albert	396,723	— 3.3	297,360
Edmonton	4,063,011	— 0.3	3,378,068
Calgary	5,585,457	—13.2	4,238,565
Medicine Hat	275,251	— 9.2	187,852
Lethbridge	379,743	— 9.9	372,267
N. W'minster	612,616	+ 6.1	594,679
Vancouver	20,426,900	+16.9	16,452,668
Victoria	1,715,616	— 1.6	1,484,939

Staff Changes

The Royal Bank has announced the following changes in staff:

J. M. GRAHAM, formerly accountant at Yonge & Bloor Sts., Toronto, to be manager at Rodney, Ont.

H. BERRY, formerly assistant inspector, supervisor's department, Havana, to be assistant manager at Lonja del Comercio, Havana.

R. T. W. HILL, formerly assistant manager at Lonja del Comercio, Havana, to be assistant manager at Havana.

R. A. GRIFFIN, formerly of the supervisor's department, Havana, to be assistant manager at Avenida de Italia, Havana.

The Imperial Bank has appointed W. BOURKE, formerly assistant chief inspector, to be western superintendent, succeeding G. D. RITCHIE, who was recently appointed assistant general manager.

Lost: One Radio

A Canadian citizen who was charged with infringing the patent rights of a Canadian radio company by importing a machine from the United States among his personal baggage has surrendered the radio thus avoiding court action, according to C. F. Brooks of the Radio Patents Limited, Toronto.

Bankers Climb the Ladder

A. E. Phipps, Imperial President, Started as Junior— H. T. Jaffray Went West to Shoot Ducks

By SCOTT FYFE

This is fan mail week at the Imperial Bank.

Just about a year ago, officials were receiving congratulations on the new head office building which was nearing completion. This year, announcement of five senior executive appointments in the last two weeks has deluged the bank with letters from all parts of the Dominion. And it is but natural that most of those messages should bear the names of A. E. Phipps, who becomes president after 15 years as general manager, and H. T. Jaffray, general manager after eight years as assistant.

The two men upon whose shoulders now rests greatest responsibility for determining the bank's policies and administering its affairs are not unlike in a number of respects. Both are modest to a fault. One ascribes his success in the banking realm to "opportunity." The other offers thanks to Lady Luck. Both are unusually popular with their fellow workers.

A. E. PHIPPS

—Drawn for The Financial Post by Newman—Petroff.

H. T. JAFFRAY

Climbed Ladder

Mr. Phipps and Mr. Jaffray both began at the very lowest rung of the ladder, gradually working their way up through the maze of positions which lead to the top. Each has spent the greater part of his life—practically all of his business life—with the one bank. And both received their training in western Canada. The latter is perhaps more than a coincidence. A substantial portion of the Imperial's business is in the West. Only two of its 187 branches are east of Ontario.

It goes without saying that both possess exceptional business ability. Canadians take it for granted that any appointee to a senior post with one of the banks must have demonstrated outstanding qualifications.

Scroll of Success

The promotion of Mr. Phipps, erstwhile dean of Canadian bank general managers by virtue of his 15-year term in that position, adds another name to the scroll which bears the insignia "Junior to President."

Most of the general managers began in the humblest capacity, and recent appointments to presidencies have tended to name the bank's chief executive officer. Already listed on the scroll are J. R. Lamb, of the Bank of Toronto, M. W Wilson, of the Royal Bank and J. A. McLeod of the Bank of Nova Scotia. Still another name has been added under that of Mr. Phipps with appointment this week of S. H. Logan as president of the Canadian Bank of Commerce.

Albert Edmund Phipps has long been one of the most interesting figures in Canadian banking. Jovial, friendly, conservative, he is perhaps the most popular of bank presidents in his relations with his staff. Certainly he is one of the most "democratic." It is said that he is personally acquainted with 50% of the entire Imperial staff.

Democratic President

Friendliness is perhaps his outstanding characteristic. Some of the junior employees have been astounded—in their early days with the bank—to see the "big shot" chatting amiably with the gentleman who collects the garbage. Train crews, particularly in the West, number him among their most sociable passengers. One of his most treasured "fan" letters is from a negro Pullman porter.

In appearance, he departs far from the general conception of a president. Rotund, with small, keen eyes, which seem to be always twinkling, his most distinctive feature is an unusually luxuriant moustache. There are many who claim it has no equal in the Dominion. He has two other distinguishing marks in his dress. Almost invariably he wears a green tie. And always he has a high, severe, collar.

He works on a definite schedule. You could set your clock by him. Generally one of the first arrivals at the bank in the morning—he is never later than nine o'clock—he settles down to serious work and rattles off his various duties like clockwork.

Born in Scotland

Albert Edmund Phipps was born in Edinburgh, Scotland, 63 years ago, son of an officer in the British army. In 1882, his father retired from military service, migrated to Canada, purchased land from the Canadian Pacific Railway near Grenfell, Saskatchewan — it was known at that time as the Territory of Assiniboia—and settled down to farm. Meanwhile A. E. was left in the Old Country to complete his education at Christ's Hospital, the famous Bluecoat School founded by King Edward VI.

Five years later, he joined his parents in the Canadian West and for a year was content to remain on the farm. Not particularly enthusiastic about farming, he joined a private banking firm, Le Jeune Smith & Co. in the thriving centre of Moosomin. A brief sojourn there, and he became articled to a firm of Moosomin lawyers. This preliminary shuffling came to an end in 1891 when he settled down in what was to prove his life work.

Chance Played a Hand

At that, it was only a matter of a few hours which determined where young Phipps' banking work would be carried out. His mother was a sister of Constance Brough, then Toronto manager of the Bank of Montreal. Thus, when it became apparent that her son was not content with the positions which offered themselves near home, she wrote to her brother. Word came back that no openings were available in the Bank of Montreal at that time. However, Mr. Brough spoke to the late D. R. Wilkie, general manager of the Imperial Bank. As a result a place was found in the Brandon office. En route to take up his new duties, Mr. Phipps received a telegram from the Bank of Montreal instructing him to join their branch at Regina.

His first day in the Imperial later led to an amazing coincidence. On the same day, at the same branch of the same bank, probably at the same $300 a year salary which was regarded in those days as a very handsome starting wage, another junior, A. H. Walker, began service. The two juniors were soon separated and not until 30 years later did they meet again. On that occasion, in Toronto, A. E. Phipps, general manager of the Imperial Bank, renewed his boyhood acquaintance with A. H. Walker, general manager of the Sterling Bank.

Transfer to Coast

When the Imperial extended operations into British Columbia in 1894, the Brandon manager was selected to take charge. Mr. Phipps accompanied him as his assistant. From then on, his progress was steady. He was appointed manager at Revelstoke in 1901, western inspector at Calgary in 1908, western superintendent at Winnipeg in 1915.

That completed his active service in the West, as he was switched to superintendent of branches at head office in 1918, to assistant general manager in 1920 and general manager in the following year.

He has been strictly a one-bank man. His only other financial interest is a directorship with the Toronto General Trusts Co. For two years, 1928 and 1929, he served as president of the Canadian Bankers Association, and, of course, has been active in that body throughout his term as general manager of the Imperial Bank.

In the course of his service with the bank, Mr. Phipps has had a number of trying experiences. Early days in the development of the West entailed hardships which few bankers of this day have to face.

Two incidents remain vividly impressed on his memory. They were those which earned for him the title of the man who walked from Edmonton to Athabaska and back—a trip of 110 miles—in two successive years.

Walk to Athabaska

The first occasion marked his first inspection trip to the northerly office. In those days, horseless buggies had not made their appearance, and travel on what were termed "roads" was anything but easy. Phipps left Edmonton in a February when the mercury hovered at 29 degrees below zero. That temperature was only the beginning. When a stop for the first night was made it had dropped to 55 below, and never on the entire trip was it "warmer" than 40 below. In consequence, it was sound policy to desert the sleigh and jog along behind in order to keep even remotely warm.

The following year, thinking to profit by this unfortunate precedent, he postponed his trip until April, after the worst of the winter was over. The showers of that month became torrents in that year, however, and the road became a mass of mud. And once more it was found best to trudge along in the wake of the "democrat," this time so that it would not bog entirely.

World Traveller

Apart from business, Mr. Phipps leads a quiet, happy life. He plays at golf. He enjoys reading books on travel and finance—and shares with other business leaders an affection for a good detective thriller. Almost every winter finds him abroad. Except for the Orient, he has visited most of the show places of the world

His pet aversion is public speaking. He rarely makes a speech. When he does appear at banquets, he is one of those hardy souls who has sufficient courage to demonstrate his fondness for a pipe in preference to cigars.

New General Manager

The story of Harry Traver Jaffray began in Galt, Ontario, where he was born in 1879, son of the editor of the Galt Reporter. At 19 he graduated from Galt Collegiate Institute and settled down to a banking career.

Why banking? Simply because that was the job which first came his way. Like most lads of his age, on leaving school he had no very definite idea of just what he wanted to do for the rest of his life—apart from a very decided interest in sports. And so for a year he was a junior with the old Merchants Bank in Galt and Berlin (now Kitchener).

Those were the years when the West was being opened up with a vengeance. And many young chaps appeared to be doing quite well for themselves in the newer districts. Mr. Jaffray, however, admits that "success" was not his goal in the West. He had heard that duck shooting was better out there than in his own part of Ontario. No other motive for heeding Horace Greeley's famed advice was necessary. The problem was: How to get there?

The simplest way appeared to be to obtain a position with some concern operating in the western provinces. Hearing that the Imperial Bank was on the lookout for promising young fellows to represent their interests, he sent in his application. The turn of the century found him established as ledger keeper with the Imperial Bank's branch in Portage la Prairie.

He was appointed manager at Golden, B.C., in 1907, and at Prince Albert, Sask., two years later. Inspectorship at Calgary followed in 1915, western superintendency at Winnipeg in 1919. Appointment as assistant general manager was made in 1922 He continued in Winnipeg for six years, and then was recalled to head office. His entire business experience has been restricted to banking.

First contact with Mr. Phipps was made at Revelstoke, Mr. Jaffray being appointed his assistant. Since then their association has been remarkable. They have worked as a team for 30 years. Mr. Jaffray has succeeded Mr. Phipps in every important position he has occupied.

A very keen sportsman, any fine summer week-end he may be found "puttering" about a golf course. Later in the year he likes to get away off in the bush in a canoe and do some real fishing.

Mr. Jaffray is the type of man who makes his work interesting. He has "had lots of fun" out of banking. He is very approachable. As one of his staff expressed it, there is no need to approach his office in carpet slippers or to quake in fear and trembling when speaking to him. Eminently fair, he can be stern if and when necessary.

For anyone to make a go of the profession he feels that a lot of hard work and a reasonable amount of luck are essential. In his own instance he grins when he claims it was the second feature which has earned him the position of Canada's newest general manager. Others dispute this fact. Those who are associated with him say that he is one of the hardest workers in the institution.

No Royal Road

Both these men hold that there is no royal road to a senior bank executive post. It consists largely in getting the proper opportunities—and in fitting oneself to make the most of those opportunities.

Their term in banking has witnessed many changes. First was the opening up of the northwest and establishment of hundreds of banking offices. This overexpansion led in after years to absorption of the smaller institutions until there are now only 10 commercial banks in the Dominion.

Then came the war, a catastrophe which had the effect, in a banking sense, of placing more of the banks' resources in Government financing—a policy barely heard of before that time. Next was the 1928 boom and the depression which curtailed demand for commercial lending and loaded the banks with Government securities. Finally, establishment of the Bank of Canada has meant a number of changes in the Canadian banking picture.

As to what the future has in store, neither will venture a prediction. They do state, however: "The Canadian banking system has proved in the past that it can adapt itself to any change. If not unduly hampered by restrictions, it will continue to do so."

Safety deposit boxes

You owe it to your business associates, to your family and to your heirs to keep valuable papers where they may be found intact in case of emergency.

Our Safety Deposit Vaults Are At Your Service

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IMPERIAL BANK OF CANADA
HEAD OFFICE-TORONTO
BRANCHES THROUGHOUT CANADA

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital - £8,780,000
Reserve Fund - 6,150,000
Reserve Liability of Proprietors - 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 - £115,559,000
A. C. DAVIDSON, General Manager.
747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY. London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

Position of Chartered Banks of Canada as of November 30, 1936, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere♦ $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	26,842,798	5,424,737	4,611,238	....	176,316,642	417,793,735	65,896,926	2,457,275	1,275,485	4,217,263	102,666	7,032,290	1,936,483	726,175	39,000,000	36,000,000	789,633,720
Nova Scotia	10,044,433	268,619	5,211,891	....	44,259,412	146,651,220	42,172,732	2,514,132	294,550	1,510,783	23,371	8,215,018	86,878	364,115	24,000,000	12,000,000	297,617,160
Toronto	4,237,915	263,222	1,278,349	....	32,087,739	76,159,992	255,799	991,250	361,642	1,397,803	416,500	2,021,199	....	150,513	9,000,000	6,000,000	134,621,927
Provinciale	3,428,762	83,511	431,624	....	5,874,214	36,153,303	141,245	....	1,402	63,829	....	38,267	1,896	64,115	1,000,000	4,000,000	51,281,972
Commerce	24,559,751	876,451	9,775,473	....	144,738,585	306,910,662	67,499,862	1,973,219	1,752,985	9,290,030	49,755	19,000,109	....	604,500	20,000,000	30,000,000	637,022,387
Royal	29,524,612	326,181	8,590,668	....	186,980,530	308,380,874	231,186,848	160,679	599,363	10,539,351	185,290	21,130,088	357,209	712,961	20,000,000	35,000,000	853,674,661
Dominion	6,307,334	221,058	574,313	....	29,170,456	71,785,351	3,937,831	1,295,783	277,258	514,793	....	2,857,517	314,803	176,108	7,000,000	7,000,000	131,432,610
Nationale	4,605,029	27,938	666,564	....	23,846,005	92,492,568	1,056,877	739,751	16,298	246,408	56,319	654,561	255,886	146,106	5,000,000	7,000,000	136,810,316
Imperial	6,127,615	674,351	2,680,865	....	34,906,183	86,682,318	262,641	1,189,346	384,412	1,099,219	....	822,415	....	3,100	8,000,000	7,000,000	149,832,470
Barclays (Canada)	344,960	21,269	972	....	1,796,052	3,766,282	2,146,405	363,758	2,783,960	1,963,577	....	1,085,070	....	....	750,000	1,500,000	16,522,308
Total	116,023,209	8,187,337	33,821,957	....	679,975,818	1,546,776,305	414,548,166	11,685,193	7,747,355	30,843,056	833,901	62,856 534	2,952,955	2,947,693	133,750,000	145,500,000	3,198,449,531

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	50,000,000	36,000,000	8	732,712	70,385,177	27,799,873
Nova Scotia	15,000,000	12,000,000	12	2,256,121	19,964,000	10,383,349
Toronto	10,000,000	6,000,000	10	427,093	12,485,340	4,239,010
Provinciale	5,000,000	4,000,000	6	395,619	3,589,947	3,638,492
Commerce	50,000,000	30,000,000	8	3,524,337	58,969,995	24,963,863
Royal	50,000,000	35,000,000	8	1,289,829	55,742,302	29,747,422
Dominion	10,000,000	7,000,000	10	1,223,469	8,026,855	6,379,440
Nationale	10,000,000	7,000,000	8	152,284	9,102,243	4,816,354
Imperial	10,000,000	7,000,000	10	391,506	8,514,027	6,182,835
Barclays (Canada)	1,500,000	1,500,000	....	1,000	546,868	372,365
Total	211,500,000	145,500,000	....	10,393,970	247,326,754	118,473,101

♦ Of this amount, $59,291,010 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. * And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $
Montreal*	1,015,042	134,667	13,029,560	51,503,660	1,910,725	511,069	25,693,544	1,343	3,753,186	22,651,163	182,919,021	182,024,655	35,261,280
Nova Scotia	372,635	1,771,581	3,463,410	17,448,701	633,666	3,774,775	11,635,324	....	648,175	8,484,382	33,398,064	57,036,570	12,938,214
Toronto	213,832	....	1,929,778	11,927,295	416,125	76,670	7,551,455	....	1,200,594	1,819,701	5,714,556	43,492,223	7,201,556
Provinciale	193,250	....	834,784	2,576,994	253,040	65,132	2,521,649	807,714	....	126,980	3,167,261	9,511,842	8,363,066
Commerce†	840,464	329,424	5,810,602	58,822,611	965,070	903,796	21,353,882	37,939	728,841	29,237,519	52,096,812	123,180,334	10,670,781
Royal‡	1,394,377	4,999,298	7,814,504	58,438,724	1,608,771	17,171,201	26,229,243	2,674	12,025,380	49,526,801	112,375,623	129,263,816	9,898,124
Dominion	241,769	740	2,287,737	4,631,144	528,745	114,822	6,895,907	....	228,734	1,378,491	14,607,254	26,253,693	5,219,601
Nationale§	470,928	1,027	3,024,028	6,774,844	533,015	61,872	3,661,905	1,133,044	41,066	3,158,952	10,790,831	20,161,337	15,479,991
Imperial	333,357	....	5,912,900	2,460,371	507,805	100,388	7,702,755	619,090	632,924	2,686,776	9,383,307	38,283,254	3,853,559
Barclays (Can.)	1,755	....	71,588	335,984	8,890	6,605	477,277	806,205	3,741,337	1,243,320	874,374	4,125,139	37,991
Total	5,077,409	7,236,737	44,178,891	214,920,328	7,425,852	22,786,330	113,733,031	3,408,009	22,994,937	120,314,085	425,327,103	633,332,863	108,944,163

NAME OF BANK	Public sec. other than Can. $	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets♦ $
Montreal*	9,471,682	23,802,146	10,320,511	26,974,952	130,429,350	12,452,424	2,744,158	26,801,274	2,900,590	689,164	795,969	14,000,000	1,737,019	76,592	790,666,054
Nova Scotia	805,778	13,878,316	14,369,147	2,363,486	73,670,245	16,844,530	631,954	5,173,986	870,328	....	99,668	6,715,667	579,663	65,977	298,593,850
Toronto	1,050,964	3,757,486	6,083,281	....	32,761,495	....	....	4,535,071	258,363	....	44,990	3,501,285	349,424	....	135,907,303
Provinciale	....	3,715,095	3,935,596	....	10,744,261	....	33,827	1,098,907	99,367	671,354	350,280	2,100,162	183,675	130,399	51,513,910
Commerce†	16,717,585	19,629,613	47,736,499	24,404,887	145,772,835	21,261,393	7,117,173	23,073,730	3,614,738	2,748,523	1,557,888	14,791,583	1,325,000	442,669	637,737,903
Royal‡	11,990,129	29,643,126	26,154,218	14,624,255	175,872,378	105,418,451	1,698,424	10,227,376	3,548,727	2,698,298	769,615	15,662,087	1,625,000	416,321	855,588,457
Dominion	....	4,009,651	10,946,802	6,303,562	37,641,198	386,687	....	674,607	380,652	93,801	38,761	5,863,644	342,550	176,168	132,090,240
Nationale§	235,520	9,629,342	6,154,583	....	34,463,110	44,031	17,646	11,863,242	320,687	1,618,331	367,769	5,894,239	391,921	93,276	137,041,112
Imperial	....	117,317	8,856,394	....	49,168,195	....	5,700,513	6,200,281	290,501	271,295	355,866	5,987,682	484,537	120,334	150,851,745
Barclays (Can.)	....	....	1,112,375	....	2,124,807	....	....	....	9,486	....	....	450,000	17,196	....	16,439,406
Total	40,271,658	108,183,042	115,669,406	74,671,142	692,647 974	156,407,516	17,943,695	89,638,474	12,302,439	8,790,766	4,380,806	74,966,319	7,035,985	1,521,656	3,206,528,944

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement. — Footnote to the Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

♦ Total assets include $62,856,534 letters of credit outstanding as shown in liabilities.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JANUARY 11

Range 1936-37 High	Low	Div R'te $	Jan. 9 Y'ld %		Sales	Last Jan. 4	Week end. Jan. 11 H	L	Cl'se
				A					
8¾	1½	.	...	Abitibi	147520	7½	8¾	6¾	7½
47¾	6½	.	...	Do. pref. 6%	15725	42½	47¾	43	46
77½	48	.	...	Do. pref. 7%	4	70	70	70	70
47	6¾	.	...	Do. cert. dep.	865	43	47	43	46
5½	4½	10c	...	Acadia Sugar	....	(— bid 5½ asked)			
21	14½	50c	3.1	Acme Glove	260	18	18	16	16
100	94	6.50	6.9	Do. pref.	....	(— bid 94 asked)			
12	7½	40+20c	5	Agnew Surp.	3685	8½	12	8½	12
110	100	7	6.5	Do. pref.	....	(107 bid 110 asked)			
6	2	.	...	Alta. Pac. Gr.	3960	4½	6	4½	5½
39	19	.	...	Do. pref.	1070	29	33¾	28	31½
116	54½	.	...	Aluminum	20	54½	116	116	116
6	2	.	...	Amal. Electric	25	6	6	6	6
31	14	.	...	Do. pref.	15	29	31	29	31
40½	29¾	60+40c	.	Amer. Cyn. B.	200	35¾	34½	34½	34½
56	51¾	3.50	6.4	Ang. C. Tel., p.	....	(53 bid 55 asked)			
120	17½	.	...	Asbestos	2824	109	109	104	108
15	9½	60+25c	.	Assoc. Brew.	1530	11½	12½	11¾	12
110	103	7	6.4	Do. pref.	....	(110½ bid — asked)			

Government Bonds

Dominion of Canada

Jan. 13 1937		Bid	Ask.	Approx. Yld.
†‡5	1 Mar. '37 ...	100.25	100.75	...
‡5½	1 Dec. '37 ...	103.50	104.00	1.00
2½	15 Oct. '39 ...	102.75	103.25	1.30
4	15 Oct. '39 ...	106.50	107.25	1.34
2	15 Nov. '39 ...	101.75	102.25	1.19
1½	1 June '40 ...	100.00	100.50	1.35
4½	1 Sept. '40 ...	109.15	109.65	1.77
1	15 Mar. '41 ...	98.00	98.50	1.36
5	15 Nov. '41 ...	113.00	113.75	2.00
3	15 Oct. '42 ...	104.50	105.25	2.03
2½	1 June '43 ...	102.00	102.50	2.08
5	15 Oct. '43 ...	114.25	115.00	2.56
4½	15 Oct. '44 ...	112.50	113.25	2.60
▪2½	15 Aug. '45 ...	100.50	101.00	▴2.33
4	15 Oct. '45 ...	109.25	109.75	▴2.42
4½	1 Feb. '46 ...	112.50	113.25	2.83
3½	15 Oct. '49 ...	105.00	105.75	▴2.67
4	15 Oct. '52 ...	108.75	109.25	▴3.00
3	1 June '55 ...	100.25	100.75	▴2.93
4½	1 Nov. '56 ...	111.50	112.00	▴3.09
4½	1 Nov. '57 ...	111.50	112.00	▴3.19
4½	1 Nov. '58 ...	112.00	112.75	▴3.21
4½	1 Nov. '59 ...	112.25	113.00	▴3.26
▪3¼	15 Jan. '61 ...	102.75	103.25	▴3.03
3¼	1 June '66 ...	101.50	102.00	▴3.11
♦3	Perp. bds.	96.00	96.50	3.11

Dominion Guaranteed Bonds

Canadian National Railways:				
3	1 May '44 ...	103.25	104.00	2.40
3	15 Dec. '50 ...	100.25	101.25	▴2.84
3	15 Feb. '53 ...	100.00	101.00	▴2.90
*4½	1 Sept. '51 ...	115.00	116.00	3.15
*4½	1 Feb. '56 ...	115.25	116.25	3.36
†4½	1 July '57 ...	115.00	116.00	3.41
*4¾	15 June '55 ...	117.75	118.75	3.37
5	1 Feb. '54 ...	118.50	119.25	3.52
*5	1 July '69 ...	118.00	119.00	▴2.78
*5	1 Oct. '69 ...	120.25	121.25	▴3.29

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54 ...	103.50	104.50	3.66
†4½	15 Apr. '61 ...	110.50	111.50	3.77
†5	15 Jan. '60 ...	115.25	116.25	3.93
Nova Scotia:				
3	2 Sept. '45 ...	100.00	101.00	2.86
4½	15 May '45 ...	108.00	109.00	2.96
†4½	15 Sept. '2 ...	111.75	112.75	▴3.12
†5	1 Mar. '60 ...	118.00	119.50	3.74
Ontario:				
*4	1 June '62 ...	108.00	109.50	3.44
*4½	1 Sept. '44 ...	113.00	114.00	2.48
4½	1 June '50 ...	112.25	113.25	3.27
*4½	15 Jan. '62 ...	115.00	116.50	3.50
5	15 Oct. '48 ...	115.50	116.50	3.32
*5	2 Dec. '60 ...	121.50	122.75	3.58
5½	1 July '46 ...	116.50	117.50	3.33
Ont. Hydro Comm.:				
3½-4-5	1 Oct. '52 ...	100.00	101.00	...
4¾	1 Jan. '70 ...	118.00	119.00	3.74
Prince Edward Island:				
3	1 Oct. '45 ...	100.00	101.00	2.87
Quebec:				
4	15 Mar. '52 ...	108.00	109.00	3.25
4¼	1 Aug. '58 ...	111.50	112.50	3.43
4½	2 Jan. '63 ...	114.25	115.25	3.61
Alberta:				
4	15 Dec. '54 ...	62.00	65.00	§
†4	1 Dec. '57 ...	63.00	66.00	§
4½	1 Oct. '51 ...	76.00	80.00	§
†4½	1 Oct. '56 ...	65.00	69.00	§
†5	1 Jan. '48 ...	67.00	70.00	§
5	1 Sept. '55 ...	66.00	70.00	§
*5	1 Oct. '59 ...	67.00	71.00	§
†5½	1 Jan. '47 ...	70.00	73.00	§
6	1 Mar. '47 ...	70.00	74.00	§
British Columbia:				
†4	1 Dec. '57 ...	94.00	95.00	4.37
*4½	15 Jan. '51 ...	99.00	100.00	4.50
†4½	1 Oct. '53 ...	98.50	100.00	4.50
†5	15 Jan. '48 ...	100.50	102.00	4.76
5	1 Sept. '53 ...	100.50	102.00	4.82
5½	1 Feb. '45 ...	101.50	102.50	5.12
6	15 Feb. '47 ...	102.50	104.00	5.47
Manitoba:				
4	2 Jan. '50 ...	87.00	89.00	5.17
†4	1 Dec. '57 ...	87.00	89.00	4.84
†4½	15 Dec. '56 ...	91.00	93.00	5.06
†5	15 June '54 ...	95.00	98.00	5.17
*5	2 Dec. '59 ...	96.00	99.00	5.07
5½	1 Oct. '55 ...	94.00	96.00	5.85
6	1 Apr. '47 ...	97.00	98.50	6.20
Saskatchewan:				
4	15 Aug. '53 ...	78.00	81.00	5.77
4	1 Nov. '60 ...	76.00	78.00	5.69
*4½	2 July '45 ...	90.00	92.00	5.70
†4½	1 Oct. '51 ...	87.00	88.50	5.62
†4½	15 Mar. '60 ...	84.00	87.00	5.49
5	1 Aug. '58 ...	86.00	88.00	5.99
†5½	15 Nov. '46 ...	91.00	93.00	6.46
5½	1 Oct. '52 ...	88.00	91.00	6.40
6	15 Mar. '52 ...	91.00	93.00	6.73

*Payable Can., N.Y. & £. ▴Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED JANUARY 11

Par Val.	Range 1936-37 High	Low	Company	Sales	Close Jan. 4 (or last)	High for week	Low for week	Close Jan. 11
1	.13¾	.04	Afton	32,900	.07½	.08¾	.07½	.07½
No	1.83	.88	Aldermac	190,900	1.76	1.80	1.70	1.74
1	3.30	1.00	Sherritt Gordon	216,564	3.05	3.30	2.94	3.20
1	5.50	2.87	Siscoe	35,125	5.35	5.40	5.10	5.10
			Sladen Malartic	118,210	2.11	2.24	1.90	1.97

Corporation Bonds

(Supplied by Investment Dealers' Assoc. of Can.)

January 12, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Jan. 12	Asked	Bid Jan. 5
*Ass. Tel. & Tel.	5½	'55	86½	89½	86
Beauharnois P.	5	'73	64	67	61
†B. C. Power	4½	'60	99½	102½	...
†B. C. 'Phone	4½	'61	105½	108½	105½
*Calgary Pwr.	5	'60	95½	98½	95½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
*Dom. Gas & El.	6½	'45	95	98	94½
*Gatineau Pwr.	5	'56	102½	105½	102½
*Do., A	6	'41	100	103	100
Do., B	6	'41	99½	102½	99
*Inter. Hydro-E.	6	'44	82½	85½	79½
*Inter. Power	6	'57	95½	98½	95½
*Do.	6½	'57	98	101	98
†Maclaren-Que. Power	5½	'61	96½	99½	96
†Do.	5½	'64	96	99	95½
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	103	106	103
†Do.	5	'55	82½	85½	82
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat'l. L. & P.	6	'49	97	100	97
†N. S. L. & Pr.	5	'58	103	106	103
Do.	5	'65	102	105	102
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	102	105	101½
†Ottawa V. Pwr.	5½	'70	91	94	92
†Power Corp.	4½	'59	100	103	100
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104	107	104½
†Shaw. W. & Pr.	4	'61	100	103	99½
†Do.	4½	'70	103½	106½	103½
†South. Can. Pr.	5	'55	102½	105½	102
†United Secs.	5½	'52	79½	82½	78½
*Winnipeg Elec.	4½	'60	104½	107½	104
Do., A	4	'65	81½	84½	81
Do., B	4	'65	74	77	73
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	90	93	85½
Acadia Sugar	4½	'55	100½	103½	...
†Alta. Pac. Gr.	6	'46	96	99	96
Asbestos Corp.	5	'42	110	...	110
B. A. Oil	4	'45	103½	106½	103½
Canada Bread	6½	'41	109	112	109
†Can. Cement	4½	'61	104	107	103½
†Can. Steamship	6	'41	69	72	66½
Can. Canners	4	'51	100	103	99½
Can. Bakeries	6½	'45	99	...	99
*Can. Inter. P.	6	'49	101	104	101
C. P. R.	3½	'51	103½	106	101
Do.	4	'49	105½	108½	105½
Do.	4½	'44	102	104½	102
Do.	4 Perp.		98½	101½	98
†Can. Vickers	6	'47	100	103	99½
†Consol. Paper	5½	'61	79	82	78½
*Dominion Coal	6	'55	100	103	100
Dom. Sq. Corp.	6	'48	66½	69½	66
‡Dom. Stl. & C.	6½	'55	91½	94½	90
†Dominion Tar	4½	'51	101	104	101
†Donnacona P.	3-4-4½	'56	88	91	88½
†Eastern Dairies	6	'49	84	87	82½
†Famous Play.	4½	'51	100½	103½	100
†Federal Grain	6	'49	99½	102½	99½
†Fraser Cos.	6	'50	102	105	102
†Gen. Steel W.	6	'52	104	107	103½
*Gt. Lakes Pap.	5	'55	90½	93½	87½
†Gypsum, L.&A.	5½	'48	102	105	102
†Gr. Br. & Can. Invest.	4½	'59	85	88	85
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'55	101½	104½	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	100	103	98
†Inter. P. & P. Nfld.	5	'68	103½	106½	103½
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	65	68	55½
†Kingston Elev.	6	'50	97½	100½	98
†Lake St. John P. & P.	5½	'61	99½	102½	99
†Lond. Can. Inv.	4½	'48	94½	97½	94½
†Maple L. Mill.	5½	'49	82	85	81½
†Massey-Harris	5	'47	97½	100½	97½
†McColl-Front.	6	'49	104	107	104
†Mercury Mills	5½	'53	80	83	76
†Mersey Paper	6	'49	99	102	99
*Minn. & O. P.	6	'45	69	72	62
Mtl. Dry Docks	6	'48	94	97	94
Nat'l Grocers	4	'36-'47	101	...	101
†N. A. Elevators	6	'50	97½	100½	97½
Nor. Ont. Bldg.	6½	'39	97½	...	97½
*Prov. Paper	5½	'47	102	105	102½
Queen's Hotel	6	'47	98	101	98½
†Restigouche Co.	6	'48	110	113	109½
Rich. Bay Bldg.	6½	'47	100½	...	100½
†Riordon P. & P.	6	'42	104	...	104
†Rolland Paper	4½	'51	103	106	103
Ruddy & Co.	6½	'48	99	102	99
†Smith, Howard	4½	'51	102	105	102
*Spruce Falls P.	5½	'42	101	104	101
†Steel of Can.	6	'40	112½	115½	112½
Sterling Coal	6	'40	90	...	90
Stop & Shop	6	'47	72	76	70
Twin City	5½	'52	92½	95½	93
United Amuse.	5	'56	99	102	99
United Corp.	5	'53	98	101	96½
Unit. Grain Gr.	5	'48	96	99	95½
Do.	5½	'49	98½	101½	98½
Union Gas	4½	'43-'50	98	101	98
†Wabasso Cotton	4½	'51	97	100	97
†Western Grain	6	'49	77	80	...
Windsor Hotel	6½	'43	70	...	...
Zimmerknit	6	'51	100	103	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U.K. *Payable in Can. or U. S.

Unlisted Mines

January 12, 1937

	Bid	Asked
Admiral	.35	.40
Amos Cadillac	.28	.30
Albany R.	.95	.98
Algold	.55	.57
Algoma S.	1.80	2.00
Arno	.05	.05½
Arrowhead	.46	.49
Area	.06	.07
Bailor	.06	.07
Bathurst	.04	.05
B.E.A.R.	..	.25
Bidlamaque	.39	.41
Big Master	.33½	.35½
Big Long Lac	.05½	.06½
Bilmac	.18	.21
Black G.	.40	.42
Blue Star	.25	.26
Beresford L.	.56	.60
Brae Breest	.29	.31
Brengold	.15	.18
Bousquet	.12	.12½
Callinan F. F.	.13	.15
Canadian Pan.	.19	.20
Canadian Kirk.	.03½	.04
Candalaca	.32	.34
Calder Bousquet	.32	.35
Casey S.	.20	.23
Casey C.	.03	.03½
Centrecour	.22	.25
Colonial	.41	.44
Coin Lake	.19	.22
Condor	.07	.07½
Cont. Kirkland	.75	.77
Crescent Kirk.	.24	.26
Cuniptau	.11	.13
Darwin	.32	.36
Dempsey Cad.	.33	.36
Dean Cad.	.33	.35
Delwood	.18	.20
Derlak	.19	.22
Desantis	.68	.72
Dona Pat	..	.30
Don Martic	.30	.32
Doreva	.61	.62
Dunlop	.15	.16
Electra P.	.40	.43
Empress Cons.	.47	.50
Eva L.	.15	.17
Faulkenham	.38	.39
Forty Four	2.00	2.50
Franklin	.02	.02½
Frontier	.17½	.19½
Garnet	.07	.08
Gateway Pat.	.14	.17
Gilbec	.05½	.06
Gillies Lake	.57	.60
Goldside	.06	.07
Gold Eagle	.75	.80
Golden Gate	.45	.47
Gordon Lebel	.17	.20
Hayes Cad.	.15	.17
Holytrex	.04½	.05
Horseshoe	.10½	.11½
Hudson Pat.	.09½	.11
Hugh Pam.	..	.23
Hutchison L.	.22½	.24
Jellicoe	.45½	.47
Johnson Nip.	.06	.08½
Kaw Crow	.18	.21
Kenecho	.14	.16
Kenricia	1.10	1.15
Keora	.06	.07
Kerr Addison	.70	.73
Kew Gam.	.63	.68
King Kirk	.05½	.06
Kirgood	.26	.28
Kirk King	..	.24
Kirk Gold B.	.13	.16
Lafayette	.04	.04½
Lamaque	8.75	9.15
Leitch	.89	.93
Madsen	1.30	1.34
Magnet	.12	.13
Malartic Gold	.48	.52
Martic McNeely	.06	.07
Martin Bird	.37	.39
Margaret	.45	.47
Maratime	.42	.47
Man. Basin	.03½	.04
Matachewan Can.	.19	.21
Moffatt	.07	.09
McFarlane	.05	.03
McCarthy Webb	.39	.41
McVittie Kirk.	.05	.06
Mooshla	.57	.59
Monarch	.34	.37
Mosher	.32	.35

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Jan. 12, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	5.35	5.50
Do., pfd.	5.20	5.40
Acme Farmers Dairy, pfd.	40.00	43.00
Andian National	48.75	50.00
Assoc. Tel. & Tel., pfd.	51.00	54.00
B. C. Pulp & Paper, pfd.	25.00	....
Burns & Co., A	12.50	....
Do., B	7.00	....
Canada & Dom. Sugar	67.50	68.50
Canada Starch, com.	27.00	....
Do., pfd.	100.00	....
Can. Steam, new com.	6.25	7.00
Do., new pfd.	17.00	18.00
Can. Tube & Steel, com.	8.00	....
Can. Tube & Steel, 1st pfd.	74.00	....
Do., 2nd pfd.	18.50	19.50
Can. Wire & Cable, pfd.	118.50	120.00
Can. Airways	10.00	....
Can. Industries, A com.	245.00	247.00
Do., B com.	245.00	248.00
Do., pfd.	164.50	165.50
Can. Ingersoll Rand	129.00	131.00
Can. Westinghouse	72.00	73.50
Chase, A. W., pfd. bonus	27.50	....
Claude Neon Gen. Adv., pfd.	9.00	10.50
Conduits Nat., new com.	5.25	5.75
Dom. Found. & Steel, com.	102.00	....
Do., pfd.	98.00	100.00
Dominion Rubber, pfd.	99.00	101.25
Dunlop Tire, pfd.	80.00	83.00
Eastern Dairies, pfd.	22.50	24.00
Federal Grain, com.	4.00	5.00
Do., pfd.	48.50	50.00
Goderich Elevator	9.00	10.00
Great Lakes Paper, com.	12.00	13.00
Do., pfd.	33.50	34.50
Greening Wire, pfd.	106.50	112.00
Guelph Carpet, pfd.	105.25	106.50
Do., com.	24.00	25.00
Hayes Steel Prod., com.	7.00	....
Do., pfd.	7.50	8.25
Highland Dairy, com.	3.25	4.50
Do., pfd.	81.00	85.00
Inter. City Baking, com.	37.00	39.50
Inter. Met. Indust., A pfd.	90.00	95.00
New Method Laund., pfd. bonus	84.00	....
Perfection Pete, $1.50 pfd.	21.00	25.00
Provincial Paper, pfd.	105.50	107.00
Reliance Grain, pfd.	98.50	98.50
Rob. Consol. Cone	9.00	9.75
Ruddy, E. L., pfd.	41.00	43.50
Standard Fuel, com.	9.00	10.00
Do., pfd.	105.50	108.00
Supert. Petroleum, B pfd.	27.25	28.00
Western Grain, pfd. bonus	12.50	15.00
Wings Limited	2.45	2.80
Trust & Loan Stocks:		
Chartered Trust	88.00	....
Commercial Finance, com.	2.70	3.00
Guelph Ont. Inv., par $50	49.00	51.00
London & Western Trust	54.00	....
Sterling Trust	36.00	....
Traders Fin., B 7% pfd. bon.	85.00	....
Trusts & Guarantee	30.50	32.50
Insurance Stocks:		
British America	51.00	....
Canada Life	530.00	545.00
Canadian Fire	77.00	....
Canadian Ins. Shares	13.00	....
Confed. Life 20% pd.	111.00	115.00
Crown Life Ins. 100% pd.	150.00	....
Dominion Fire Ins.	135.00	....
Dominion Life 50% pd.	270.00	300.00
Dom. of Can. Gen.	121.00	130.00
Empire Life 25% pd.	7.50	8.50
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25 %pd.	42.00	....
Fidelity Ins. of Can.	47.00	....
Great West Life	360.00	375.00
Guar. of N. A. fully pd.	285.00	300.00
Halifax Fire	22.75	23.50
Imperial Life	365.00	....
Manufacturers Life	245.00	255.00
Monarch Life 10% pd.	20.50	22.00
Sovereign Life 25% pd.	15.00	18.00
Sun Life	1000.00	1030.00
Toronto General	5.50	6.00
Western Assurance, com.	46.00	48.00
Do., pfd.	40.00	45.00
Theatre Stocks:		
Allens Beach, pfd.	69.00	72.00
Do., Kingston, pfd.	65.00	....
Do., Parkdale, pfd.	73.00	....
Do., Toronto, pfd. bon. c.	31.00	35.00
Eastern Theatres, pfd.	70.00	75.00
Loew's Buffalo, pfd.	3.50	4.00
Do., pfd.	3.00	3.30
Do., Toronto, pfd.	117.00	....
Mansfield Theatre, pfd.	38.50	41.00
Paramount Kitchener, pfd.	54.00	....
Do., Oshawa, pfd.	89.50	95.00
United Amusement, A	25.00	....
Investment Trust Shares:		
Can. Gen. Invest.	10.45	10.75
Can. Int. Invest. Trust Units	108.00	....
Can. Investors Corp.	9.50	10.00
Cons. Div. Std. Sec. Units	19.00	20.25
Corporate Investors	....	8.00
Dom. Scottish Invest. Units	45.00	47.00
Invest. Foundation Units	65.00	69.00
Lon. Can. Invest., com.	2.50	....
Do., pfd.	52.00	....
Sec. Holding Corp. Units	24.50	25.50
Third Can. Gen. Invest. Tr.	2.25	....
United Corpns., A	28.50	30.00
Do., B	20.00	21.00
Power Issues:		
Calgary Power, pfd.	79.50	81.00
Can. West. Nat. Gas, pfd.	91.00	92.50
Do., com.	25.00	27.00
Great Lakes Power, pfd.	99.00	101.00
Inter. Util., $1.75 pfd.	14.75	16.50
Do., $7 pfd.	98.00	....
Montreal Island Pwr., pfd.	15.00	....
Nor. Ont. Power, 6% pfd.	103.00	105.00
Nova Scotia L. & P., pfd.	105.00	....
Do., com.	96.00	....

Winnipeg Stocks

(Transactions from Jan. 2 to Jan. 9)

	Sales	High for period	Low for period	Close Jan. 9
Cryderman	1,500	.04	.02½	.04
D. Envelope, c.	10	1.00	1.00	1.00
Flin Flon	10,450	.19	.17	.18
Genevâ	300	.50	.50	.50
Gt.-West Life	10	355.00	355.00	355.00
Gt. Falls M.	13,700	.21	.19	.20
Gold Lake	27,999	.04½	.03¾	.04
Gurney Gold	13,000	.54	.50	.50
Herb Lake	10,500	.22	.22	.22
Island Lake	12,500	.03½	.03½	.03½
Knee Lake	1,000	.02¾	.02¾	.02¾
Kingfisher	2,700	.01½	.01½	.01½
Oxford Mines	400	.60	.60	.60
Optic Lake	195	1.15	1.15	1.15
Ore Grande	4,500	.17	.15	.15
Traders Bldg.	25	90.00	90.00	90.00
Rel. Grain, pf.	50	96.00	96.00	96.00
Packsack	123,300	.35	.24	.33
United Grain	21	10.25	10.00	10.00
Sachigo	175	18.00	17.00	17.00
Wings Ltd.	2,580	2.65	2.25	2.50
Wpg. R. Tin	10,700	.02	.01¾	.02
Wallace Lake	12,800	.03½	.03	.03
Wylie Dom.	17,900	.43	.38	.43
Wingold	28,000	.05¾	.04½	.04½
West. Brew.	1,200	1.50	1.25	1.35

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
Home Invest.	19	3¼
Northern Mtge., part pd.	..	..
North. Can. Mtge., pf.	4	..
Northern Trust	..	8
West. Steel, pf.	7	7½

*Stocks more active on other exchanges not included.

UNLISTED MINES—(Continued)

	Bid	Asked
Murmac	.08½	.10½
North Shores	.05	.05½
Oklend	.59	.62
Old Diamond	.43	.46
O'Leary	.19	.20
Opemiska C.	.45	.50
Oriole	.10½	.12
Oremond	..	.23
Ossian	.10	.11
Pandora Cad.	.93	.98
Pascalis	.42	.45
Powell R.	..	.03
Porcupine G. R.	.02	.22
Porcupine McNabb	.20	.43
Porcupine Lake	.41	.19
Porcupine Triumph	.17	.55
Phoenix Molybdenite	..	.19
Porquin	.16	1.90
Red Crest	1.85	.31
Rajah	.29	.42
Richmac	.40	.35
Roeanor	.30	.09½
Rouyn Reward	.09	.08½
Rubec	.07¾	.38
Sand River	.35	.14
Schreiber	.12	.30
Shenango	.27	.16
Silver Val.	.14	.23
Skookum	.20	.46
Siscoe Ex.	.44	3.40
Slave Lake	3.20	.09½
Smelter	.08½	.10
South Keora	..	.22
Spooner	.20	.45
Sturgeon River	.40	.14
Springer	.13	.10
Tonawanda	.09	.53
Upper Canada	.50	.27
Wesley	..	.08
Westside	.07	.09½
West Red Lake	.08½	.18
White Horse	.15	.27
Wendigo	.25	.44
Winoga	.40	.21
Young Davidson	.19	.18
Young Shannon	.16	.38
Ypres Cadillac	.32	[illegible]

Week in Wheat

Canadian Wheat Firmer Following U. S. Reports

Announcement of British War Reserve Plans Fails to Produce Much Strength — Argentine Shipments Factor

From Our Own Correspondent

WINNIPEG.—Announcement this week from British Government officials of a plan to store large quantities of wheat in Great Britain as a reserve in case of possible war, failed to produce much strength in the market. One reason is the obvious fact that it will take a considerable time either to supply storage facilities or to accumulate any great quantity. Another is the feeling that existence of government reserves may check the natural accumulation of invisible reserves in the form of small flour stocks in the hands of merchants and bakers.

The Canadian market has borrowed some strength from a firmer tone in Chicago, due to a U. S. Government report showing extremely small supplies of grain of all kinds remaining on farms. Official reports stressing the poor subsoil moisture conditions in Kansas were also influential, offsetting earlier reports of abundant moisture in Texas.

Resales of Argentine wheat by Italy were at first regarded as a weakening factor at Liverpool. Later it was explained that Italy, having somewhat overbought previously so far as immediate needs were concerned, had been simply selling near-by wheat to make way for later shipments from the Argentine.

Trading in October wheat on the Winnipeg market is somewhat thin, but a level approximately 15 cents below May wheat has been established, or practically the same price as Chicago September. Such trading is entirely on a new crop basis, as it is expected that by October no old crop wheat from the carryover will be left in the country.

Argentine Competition

Argentina, now shipping about four million bushels of wheat every week has taken the place which Canada held until recently of the largest shipper to world markets. If the Government estimate of the Argentine production is confirmed, at 250 million bushels, that country will be able to keep up these shipments until the end of the current crop year.

Some observers still insist that the crop was overestimated, and there is still dispute as to the extent of damage done to quality of the grain. But there can be no doubt either of a substantial quantity of Argentine grain for shipment, or of the predominant place that Argentina will hold in the world market until new crops are marketed in the northern hemisphere.

* * *

Premium on Canadian

Meanwhile a fairly good trade continues to be done in Canadian wheat for overseas shipment. It is undoubtedly limited in quantity by the wide premium which currently prevails for Canadian as opposed to Argentine wheat. But the demand for Canadian wheat, even at a premium, appears to have been strengthened by a change in the mixture produced by British millers which calls for a much larger percentage of Canadian wheat. It has also been improved by the continental demand for wheat, as Italy, Germany and France have all shown some preference for Canadian wheat.

Perhaps most market observers believe that it will be impossible to maintain the premium for Canadian wheat to the end of the crop year and that either Argentine prices will have to advance or Canadian prices recede. The governing factor is really the United States demand for high-grade Canadian wheat, which is capable of some considerable variation as prices shift. If it falls off, Canada might be left with a larger year-end surplus than anticipated, but if it is well maintained, it is still possible for the carryover to be small.

* * *

Production in U. S.

The winter wheat situation in the United States is not likely to change greatly before spring. In the far south there has been a good deal of moisture, and some of the worst fears as to probable outturn have been relieved. But the market is still inclined to believe in rather low average yields. Similarly the outlook for North American spring wheat production is regarded as unfavorable, on account of lack of subsoil reserves.

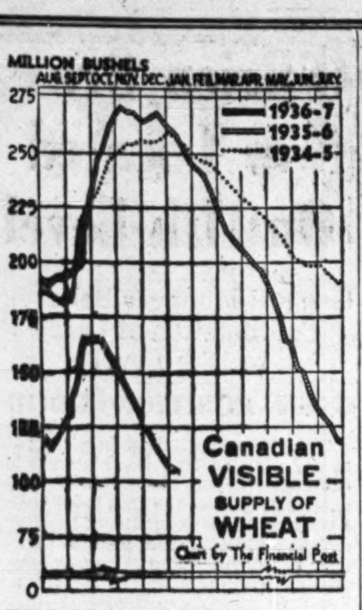
* * *

European Demand

Lately market attention has been mainly focused on the comparatively tight supply situation throughout the world. But as the season advances, prospects for the coming crop will receive more and more attention, and there are possibilities of sharp variation in outlook.

Germany has reduced her duties on wheat to a nominal level, which confirms the evident intention of that country to import considerable quantities. Unlike the Italian purchases, which have now been made for a considerable time in advance, most of Germany's purchases are believed to be still in the future.

Italy's deficiencies in wheat supplies are emphasized by the report of Government instructions that a maximum possible wheat acreage must be seeded. But the possibility of acreage extension is comparatively small, and unfavorable weather could again produce a small Italian crop.



EXPORTS LOWER

Canada's visible supply of wheat dropped below the 110 million bushel mark during the week, a reduction of 3.4 million bushels. Export clearances showed a drop of slightly over one million bushels from the previous week.

Details in bushels are as follows:

	Week of Jan. 8	Week Previous	Last Year
Canadian Visible	109,945,000	113,293,000	256,299,000
Export Clearances*	2,508,302	3,787,203	3,715,300

*Plus U. S. imports.

Open Market Battle Waged Before Board

Pool Counsel Organized for Attack on Grain Probe Witnesses

SPECULATIVE RISKS

From Our Own Correspondent

WINNIPEG.—One of the acutely controversial stages of the Royal Wheat Enquiry conducted by Mr. Justice Turgeon was reached when the Commission resumed its sessions after the holiday adjournment.

In essence the controversy takes the form of a presentation by witnesses on behalf of the grain trade of the normal functions of different branches and of an attack, through cross-examination by counsel representing the pools, on the whole theory of the open market.

The attack is double barrelled. One barrel is aimed at the changed conditions in international trade, and international wheat trade in particular. The pool position is that while the theory of open market was sound enough in early days it does not work any longer. With so many restrictions on trade in different countries, Canadian wheat trade must, it is contended, be conducted along entirely different lines from those formerly used.

Opposition Evidence

The suggestion that the open market cannot function at present will doubtless be opposed, as the Commission goes on, with evidence that it is working, and working very well. The Commission has yet to hear of the present price structure of the market or of conditions which currently prevail there.

The other barrel is directed at the whole theory of the open market, with its employment of a futures market. That involves an attack on the employment of speculation to relieve the handlers of wheat of a speculative risk.

Such an attack means going over old ground that has been covered by practically every commission and committee which has ever investigated the grain trade, and more especially the previous Turgeon Commission and the Stamp Commission. It makes for painfully slow going.

Pool Presentation

When presentation of the orthodox trade point of view is completed, the Commission will hear a formal presentation from the pools. It seems to be taken for granted that the pools will ask that the whole business of trading in grain be taken over by the Government.

To what extent there will be enquiry into pool experience and results and comparison of experience of pool farmers with those who remained outside the pool is not yet apparent. If there is anything like as exhaustive enquiry into such subjects as is in prospect with respect to the ordinary machinery of the trade the Commission will be a long time before it is in a position to report.

B.C. Growers Would Control Sale of Fruit

May Attempt Compulsory Selling Through Single Channel

From Our Own Correspondent

VANCOUVER. — Representatives of the British Columbia Government and the fruit growing industry of the Okanagan Valley are working on plans for legislative control of agricultural shipments.

Compulsion

An attempt will be made to have all fruit growers in the interior of British Columbia sell through a single agency. Just how this will be accomplished, especially if challenged, however, has not been fully explained. Such an agency, of course, could not directly control a product which has left the province, but indirectly it might do so by fixing the price which it pays the grower and which it charges the purchaser in any market. This was the plan foreshadowed in legislation passed at the last session of the house, but it will not be invoked until the Privy Council has finally passed judgment on the Natural Products Marketing Act.

Claims Legal Vacuum

Legislation also provides marketing boards with authority to control products during transporatation and warehousing.

Hon. K. C. McDonald, minister of agriculture, has been one of the leading figures in the fight for marketing control. "If the Privy Council rules that Canada cannot control marketing and that the province cannot control it, then we have a definite hiatus in jurisdiction, a kind of legal vacuum," said Dr. McDonald. "No such hiatus was ever intended in our constitution. If it does exist, then it must be corrected."

Alberta Cattle Again Go to U.S.

High Price First Shipment New Quota Is $10.50

CALGARY.—Preliminary returns from the first shipment of Alberta cattle to United States since the 225,000 head annual quota again became operative Jan. 1, 1937, indicate a top price of $10.50 per cwt. This was received for the best carload of steers in the 32-car train which left the local yards New Year's eve for St. Paul and Chicago. Shippers do not expect as substantial a price for other lots.

At the price mentioned the net return to shippers at Calgary would be around 7½ cents a pound after deducting freight, duty and handling charges.

Comparison of the return with local prices is made difficult, owing to the fact that the car which brought the top price was made up of choice steers weighing around 1,500 pounds. That weight is generally considered too heavy for the local trade.

With fewer cattle on feed this year owing to high grain prices, livestock men expect the local market trend for finished stuff to be upward. In recent days insufficient choice steers in the 1,000-pound class have been offered to provide a reasonable idea of supply and demand.

London Life Initiates New Sales Territories

London Life Insurance Co. has recently formed two new sales territories in the ordinary branch and enlarged a third.

The Saint John territory, a division of the Maritime district, will be under the direction of Gordon M. Butler, formerly supervisor at Guelph.

The Kitchener supervisorate is being extended to include Guelph, and district supervisor H. I. Weir will direct the activities of this unit.

In the Western Ontario district, Hamilton Guthrie, of London, has recently been promoted to take charge of a supervisorate which includes the cities of Sarnia and St. Thomas.

Air-conditioned Flats Planned for Regina

REGINA.—Construction of two fully air-conditioned apartment blocks in the downtown area of the city is mentioned in building plans for the year. The cost of the project, the first of its kind in this city, has been estimated at $1,200,000.

Inter. Fibre Board Moves H. O. to Montreal

From Our Own Correspondent

MONTREAL.—International Fibre Board, a subsidiary of International Paper, has passed a by-law changing the head office of the company from Ottawa to Montreal.

Commodity Prices

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$6.40	$6.25	$7.50
Hogs	9.40	9.00	9.50
Copper, lb.	.12	.12	.09¼
Cotton, lb.	.1306	.13	.1195
Rubber, lb	.2204	.2110	.1412
Sugar, raw, lb.	.0396	.0390	.0315
Silk, lb.	2.21	2.17	1.96
Wheat (Man.) bu.	1.28⅝	1.29½	.84⅜
Coffee, lb.	.08⅞	.08¾	.06½
Hides	.14	.14	.11½
Weekly Indices			
N. Y. Annalist	137.9	137.1	129.0
Fishers'	90.1	88.8	84.4
N. Y. Journal of Comm.	88.3	86.7	80.0
Crumps (Brit.)	77.8	77.5	68.7
U. S. Labor	84.1	83.7	80.6
Canada (D.B.S.)	80.8	80.2	72.8

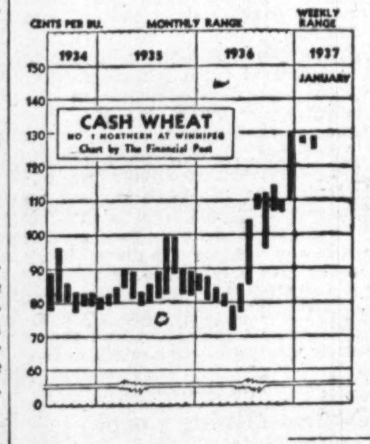
Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Dec.)	81.8	81.7	80.8
W'sale (Dec.)	80.8	77.2	72.6
U. S. Labor (Nov.)	82.4	81.5	80.6
Gt. Brit. (Nov.)	86.1	85.5	79.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929=100 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows: Hogs—select bacons, Toronto.

Wheat Prices



(Cash Quotations)

	For Week Jan. 12 High	For Week Jan. 12 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.28¾	1.26⅝	1.29½	1.26⅜
1 Northern	1.28¾	1.26⅝	1.29½	1.26⅜
2 Northern	1.27¼	1.25⅛	1.27½	1.24⅜
3 Northern	1.24¾	1.22⅜	1.25⅛	1.22⅛
4 Northern	1.19½	1.17⅛	1.21½	1.18⅜
5 Wheat	1.16⅛	1.13⅛	1.16⅛	1.13⅜
6 Wheat	1.13⅛	1.10⅝	1.12⅛	1.09⅜
Feed Wheat	.98⅝	.94⅝	.97⅛	.94⅜
Vancouver: Week to Jan. 11:				
1 Northern	1.29	1.26⅜	1.29⅝	1.28

Competitive Export Prices: Jan. shipment.

Week to Jan. 9	High	Low
No. 1 North. (Vanc.)	1.55¾	1.53½
No. 2 North. (Atlan.)	1.54¼	1.51⅞
No. 1 North. (Atlan.)†	1.55¾	1.52¾
No. 2 North. (Vanc.)	1.53½	1.49⅞
Australian (afloat)	unquoted	
Australian	1.40⅜	1.38⅛
Argentine Rosafe†	1.27¼	1.22¾
Indian (choice Karachi)	1.39⅝	1.38⅛

†Jan.-Feb.

Winnipeg Grain Futures

Week to Jan. 12, 1937

Crop year from Aug. 1, 1936 *High	Low		Open Jan. 6	High for week	Low for week	Close Jan. 12
		Wheat				
1.30¾	1.05⅝	May	1.26	1.29⅛	1.25⅝	1.28⅛
1.26⅜	1.03¾	July	1.21⅝	1.24⅛	1.20⅞	1.23¼
1.15	1.11	Oct.	......	1.15	1.11	1.12¼
		Oats				
.55⅛	.42¼	May	.52⅝	.55⅛	.52¼	.55
.51⅞	.43⅝	July	.50⅞	.51⅞	.50⅜	.51⅞
		Barley				
.85¼	.50⅞	May	.77½	.85¼	.77½	.85¼
.75⅛	.56¾	July	.70⅝	.75⅛	.70⅜	.75⅛
		Flax				
1.75¾	1.60½	May	1.70	1.74¾	1.70	1.73¾
1.75	1.63¼	July	1.70¼	1.74¼	1.70	1.73
		Rye				
1.14⅞	.62⅝	May	1.08	1.10⅛	1.06½	1.07
1.12⅛	.78¼	July	1.03¼	1.07	1.01¼	1.02⅜

1937 Dividend Payments May Reach Record High

If January dividend payments can be taken as a criterion, then Canadian corporations may be expected to record a new high for total dividend disbursements in 1937.

January dividends, according to a compilation by The Financial Post, total $22.4 millions, an increase of $6.4 millions or 40% over the corresponding month of 1936. If this rate of increase can be maintained throughout the year then total disbursements in 1937 will be far in excess of the previous high of $284.6 millions paid in 1930. In fact, if a gain of even 10% can be recorded then dividends in 1937 will exceed the 1930 figure, total disbursements in 1936 being $260.4 millions.

Initial dividends, increased disbursements, payments on arrears of preference dividends and extra dividends all contributed to the increase. Stocks receiving their initial payment are Montreal Refrigeration & Storage preferred, Sudbury Basin common and G. Tamblyn Ltd. common.

Increase Dividends

Companies increasing their common share dividends are Moore Corp., United Gold Equities, Western Grocers, International Bronze Powders and Ensign Insurance.

Eight companies are making payments on account of preferred dividend arrears and 18 companies are distributing extra dividends.

Ontario Loan and Debenture Co. is the only company to reduce its common dividend, $1.25 a share being paid as compared with $1.50 previously. National Life Assurance Co. is the only company to pass its dividend.

Bond interest payments also show an increase, being estimated for the month at $53.5 millions. In Jan., 1936, interest payments amounted to $40.2 millions.

Details of January payments appear below:

Summary of January Payments

	1937 $	1936 $
Dividends	22,442,635	16,032,664
Bond interest	53,572,165	40,200,644
Total	76,014,800	56,233,308

Dividend Payments

Company	Rate $	Date	Amount $
Avalon Tele., A	1.75a	2	16,544
Do., pref.	.87½s	2	14,000
Acme Glove	.12½q	2	3,000
Do., pref.	1.62½q	2	11,178
Agnew Surpass, pf.	1.75q	2	16,675
Alta. Wood. Pres., pf.	1.75q	2	4,798
Assoc. Breweries, pfd.	1.75q	1	16,891
Bk. of Nova Scotia	3q	2	360,000
Beatty Bros., 2nd pf.	3.50s	2	23,786
Beaver Fire	2%	2	6,010
Bell Telephone	1.50q	15	1,169,070
Biltmore Hats, c.	1s	22	20,000
Do., extra	.50	22	10,000
Bralorne Mines	.10q	15	124,000
Do., extra	.05	15	62,000
Belding Cort.	1q	2	7,495
Do., pref.	1.75q	2	15,142
Brant. Cordage, pf.	.32½	15	13,000
Bank of Canada	1.13s	2	113,000
Brazilian Tr., ord.	.40	30	2,811,222
Do., pref.	1.50q	2	5,901
Brewing Corp., pf.	.37½q	15	61,051
Brit. Amer. Oil	.20q	2	524,528
Do., bonus	.20	2	524,528
B. C. Power, A	.40q	15	400,000
B.C. Elec. P. & Gas, pf.	1.50q	2	75,000
B. C. Tele., 1st pf.	1.50q	2	15,000
Brit. Mtge. & Trust	4s	2	40,000
Brockville Trust	.62½q	2	6,250
Bruck S. Mills	.10q	15	12,500
Building Prod., A, B	.35q	2	42,295
Do., extra	.50	2	60,423
Burry Bisc., pf.	.75q	2	7,500
Burt, F. N.	.50q	2	53,824
Do., pref.	1.75q	2	1,029
Canada Bread, 1st pf.	1.25q	2	15,625
Do., pref. B	.62½	2	15,625
Canada Life	5q	2	50,000
Canada Packers	.75q	2	150,000
Canada Trust	5s	2	50,000
Can. Nor. Power	.30q	25	120,000
Do., pref.	1.75q	15	96,250
Can. Perm. Mtge.	2q	2	140,000
Can. Canners, 1st pf.	1.50q	2	58,274
Can. Cottons	1q	2	27,155
Do., pref.	1.50q	2	54,922
Can. Dredge	1+1	2	189,550
Can. Fairbanks, pf.	1.50q	15	18,000
Can. Fire Ins.	2s	2	40,000
Can. For. Invest.	.40q	1	29,366
Do., pref.	2q	1	22,000
Can. Gen. Invest.	.12½q	15	75,073
Can. Gen. Elec.	1.25q	2	236,057
Can. Industries, A B	2	30	1,359,322
Do., pref.	1.75q	15	81,375
Can. L. & pwr.	.50s	15	16,624
Canadian Oil, pf.	2q	2	40,000
Can. West'house, pf.	50q	1	273,000
Can. Wire Box, A	.37½	2	23,856
Cariboo Gold	.02½q	2	33,332
Carnation, 1st pf.	1.25q	2	48,615
Celanese of Amer., pf.	1.75q	1	200,931
Central Can. Loan	2q	2	50,000
Chartered Trust	1q	2	10,000
Coniagas Mines	.12½	11	95,787
Cons. Bakeries	.20q	2	63,688
Do., extra	.20	2	63,688
Consumers' Gas	2.50q	2	351,380
Cosmos Imp., pref.	1.25q	15	6,250
Crown Life	2½%	2	5,740
Crown Trust	1.75q	2	17,500
Dominion Bank	2.50q	2	175,000
Dominion Coal, pf.	.38q	2	91,200
Dome Mines	.50q	20	476,667
Dom. Fire	3s	2	9,000
Do., bonus	2	2	6,000
Dom. Glass	1.25q	2	53,125
Do., pref.	1.75q	2	45,500
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	15	33,960
East. Can. Savings	1.50q	2	13,125
Eastern Steel, pf.	1.75q	2	6,829
East. Theatres, pf.	3.50s	30	17,500
Ensign Ins.	1.50s	2	9,000
Do., extra	.25	2	1,500
Excelsior Life	1.20s	2	6,000
Gen. Trust of C., pf.	1.50q	2	16,500
Goderich Elevator	.25s	2	21,001
Goodyear Tire	.63q	15	162,073
Do., extra	2.50	15	643,150
Do., pref.	.62½q	2	75,000
Gordon & Belyea, pf.	1.50q	2	2,106
Do., arrears	.75	2	1,053
Gt. Lakes Power, pf.	1.75q	15	13,125
Do., com.	3	15	90,000
Gt. West Life	5q	2	50,000
Greening Wire, pf.	1.75q	1	11,375
Do., on arrears	1.75	1	11,375
Guar. Tr. of Can.	2.50s	15	3,287
Guelph & Ont. Inv.	1.50s	2	28,950
Guelph Trust	1.25s	2	7,525
Halifax Fire	.45s	2	90,000
Hamilton Cotton, pf.	*.50	1	9,506
Harding Carpets	.10	2	17,000
Highland Dairy, pf.	1.75q	2	2,695
Hollinger Cons.	.05	28	246,000
Hudson's Bay, pf.	5%	1	340,000
Huron & E. Mtge.	1.25q	2	62,500
Imperial Life	3.75q	2	37,500
Indust. Accept., pf.	1.25q	2	6,250
Indust. Mtge.	1.25s	2	15,875
Intercol. Coal	2s	2	20,000
Do., bonus	2	2	20,000
Do., pref.	4s	2	8,060
Inter. Bronze	.37½q	15	28,125
Do., pref.	.37½	15	31,125
Inter. Milling, pf.	1.25q	15	56,250
Inter. Power, 1st pf.	1.50q	2	120,000
Int.-State Rlty., A	.28q	1	20,718
Invest. Foundation, pf	.50q	15	14,895
Do., arrears	.25	15	7,447
Jam. Pub. Service	.43½q	2	19,687
Do., pref.	1.75q	2	18,777
Lambton L. & Inv.	1s	2	15,795
Little Long Lac	.10	15	163,300
Landed Bkg. & L.	1.25q	2	12,500
Lang, J. A.	.17½	2	17,500
McColl-Fron., pf.	1.50q	15	116,511
Maritime Tel.	.15q	2	54,320
Do., extra	.10	2	36,213
Do., pref.	.17½q	2	26,250
Manufacturers Life	5s	2	75,000
Mitchell, J. S., pf.	1.75q	2	5,295
Midland Loan	.40s	2	14,400
Monarch Knit, pf	1.75q	2	13,125
Mtl. C. & D. Bk.	3q	2	60,000
Do., bonus	1	2	20,000
Montreal Telegraph	.80q	15	35,000
Mtl. L. H. & Pwr.	.38q	30	1,705,821
Mtl. Ref. & St., pfd.	†1	2	18,863
Mtl. Tramways	2.25q	15	157,500
Moore Corp.	.40q	2	110,496
Do., pref. A B	1.75q	2	86,898
Nat. Breweries	.50q	2	360,686
Do., pref.	.43q	2	47,730
National Trust	2q	2	60,000
Nat. Grocers, pfd.	1.75q	1	51,681
Niag. Wire Weave.	.40	2	32,000
North Star Oil, pf.	*.17½	2	35,000
N. S. L. & Pr., ord.	1.25q	2	43,153
Ogilvie Flour, c.	2q	2	150,000
Ont. Loan & Deb.	1.25q	2	50,000
Ottawa L. H. & Pr.	1.50q	2	52,500
Do., pref.	†1.25	2	21,250
Ottawa Traction	.50q	2	28,038
Perfection Pete., pf.	.37½q	1	3,485
Page-Hersey	.75q	2	130,707
Do., extra	.25	2	43,569
Pioneer Gold	.20q	2	350,350
Power Corp., pfd.	1.50q	15	75,000
Do., 2nd pfd.	.75q	15	75,000
Porto Rico Pr., pf.	1.75q	2	17,500
Premier Gold	.03q	15	150,000
Do., extra	.01	15	50,000
Prov. Paper, pfd.	1.75q	2	61,250
Real Est. Loan	1s	2	5,000
Reno Gold	.03q	2	56,400
Root Petroleum, pf.	.30q	1	12,853
Remington Rand	.15q	2	207,042
Do., stk. bonus	1%	2	13,802
Rob. Cons. Cone	.25q	2	12,499
R. S. Mills, A	.50q	2	15,000
Do., on arrears	1.75	2	52,500
Securities Hold., pf.	‡.60	2	11,044
Security Loan	2.50s	2	13,495
Sheep Creek Gold	.02q	15	37,500
Sher.-Williams, pf.	*1.75	2	60,550
Simon, H. & Sons, pf.	7	15	22,729
Do., com.	.25	15	7,512
Smith, H., Pap., pf.	1.50	15	92,410
South. Can. Pr., pfd.	1.50q	15	106,333
Stand. Steel., pf.	.75	1	7,342
Do., on arrears	.75	1	7,342
Stand. Fuel, pfd.	1.62½q	1	19,464
Sudbury Basin	†.10	2	168,950
Supersilk Hosiery, pf.	1.75s	1	8,541
Supertest Pete., ord. & c.	.50s	2	55,000
Do., pref. (B)	.75s	2	6,000
Tamblyn	†.20	1	17,600
Do., pref. new	.62½q	2	3,750
Do., pref.	1.75	2	5,285
Thayers, 1st pfd.	2.50	1	23,875
Teck-Hughes	10+5c	2	721,071
Tip Top Tailors	.25	2	30,000
Do., pref.	1.75q	2	22,450
Toronto Elevators, pf.	1.75q	15	26,001
Tor. Gen. Trusts	1q	2	30,000
Toronto Mortgage	1.50q	2	29,595
Tuckett Tob., pf.	1.75q	15	35,000
Un. Gold Eq., st. & c.	.04q	15	9,134
United Secs.	.50q	15	25,630
Ventures	.02½	2	196,743
Do., extra	.02½	2	196,743
Wabasso Cotton	.25	2	17,475
Waterloo Trust	2.50s	2	25,000
West. Assur., pf.	1.20s	2	18,000
Weston, Geo., c.	.20q	2	75,176
Do., extra	.10	2	37,588
West. Grocers	.60q	15	10,165
Do., pref.	1.75q	15	20,899
Wr.-Hargreaves	.10q	2	550,000
Do., extra	.05	2	275,000
Total			22,442,635

q—Quarterly.
s—Semi-annually.
a—Annually.
*Arrears. †Initial. ‡Interim.

Bond Interest Due in January

Company:	Rate	Date	Due	Amount $
Aldred Invest., A	4½	2	1968	38,126
Avalon Tele., A	5½	1	1948	19,717
Avon River Pr., A	*5½	1	1956	17,847
Do., B	*5½	1	1957	5,318
Do., C	*5½	1	1958	2,684
Do., D	5	1	1964	22,500
Ames Holden Tire	7	1	1943	4,441
Asbestos Inc.	†6	1	1941	257,730
Burns, A.	5	1	1958	41,980
Can. Int. Paper	6	1	1949	667,500
Can. Light & Pr.	5	1	1949	71,640
Can. Nat. Rly., Gold	5	1	1969	1,500,000
Do.	4½	1	1957	1,462,500
Can. Nor. Alta.	3½	20	1960	55,122
Can. Nor. Rly.	6½	1	1946	787,735
Can. Nor. Ont.	3½	20	1961	599,022
Can. Nor., 1st mtge.	3½	20	1958	138,188
Do., Wpg. Term.	4	1	1939	60,000
C. P. Rly., cons. deb.	4	1	Perp.	5,828,230
Do., Algoma Br.	5	1	1937	91,250
Can. Pac. Rly.	4½	1	1960	562,500
Do., Eq. Trust.	5	1	1944	607,850
Do., coll. trust	4	2	1949	240,000
Cedars Rapids	5	1	1953	335,460
Cities Heating	6	1	1948	4,230
City Gas & Elec.	6½	2	1951	5,001
Dom. Rubber	5	1	1947	100,000
Eastern Car	6	1	1952	16,056
Fraser, 1st mtge.	6	1	1950	235,155
Gr. Trunk Pac.	3	1	1962	524,880
Do., sterling	4	1	1962	168,816
Do. guar. stk.	4	1	Perp.	1,216,666
Gr. Trunk, deb. stk.	5	14	Perp.	519,560
Do., cons. deb. stk.	4	14	Perp.	2,396,780
Int. Pr. & P. Nfld.	5	1	1968	121,650
Do., 1st mtge.	4½	1	1968	33,750
Do., mtg. debs.	3	15	1973	136,594
Insur. Exch., inc.	5½	15	1950	47,313
Inter. City Bak., A	5½	1	1948	39,805
Inter. Power deb.	6	1	1955	60,000
Jam. Pub. Ser., C	4½	15	1965	45,990
Maritime Tel., A	5	1	1956	37,500
Do., B	6-4½	1	1966	45,000
Metropolitan Bldg.	7	15	1944	24,946
Do., gen. mtg. B	7	15	1941	13,335
Montreal Apts.	5½	1	1948	101,640
Montreal Trams	5	1	1941	533,775
Morrison Brass, A	7½	1	1947	3,768
Mtl., L. H. Pr. debs.	3	1	1939	402,352
Do., 1st mtge.	3½	1	1973	667,727
Moodie, J. R., A	6	1	1948	17,790
Nfld. Pr. & Pap., B	5½	15	1970	249,810
Nfld. L. & Pr.	4½	1	1956	31,500
Do.	5½	1	1971	20,982
Nor. Ont. L. & Pr.	6	1	1953	15,450
North. Ont. Pr.	6	1	1953	105,000
Nan.-Dun. Util.	5½	2	1964	12,608
Nor. Am. Elev., A	6½	1	1950	13,747
Parisian Ldry.	6½	1	1947	8,440
Ott. Traction, A	5½	1	1955	65,738
Reliance Grain, A	•6	2	1948	49,917
Royal Ex. Bldg.	6	2	1948	10,371
Do.	7	2	1938	3,500
Ruddy, E. L.	6½	1	1948	20,205
Quebec Pr., B	5	2	1972	60,000
Sherbrooke Rly.	5	1	1940	11,775
Do., 2nd mtge.	6	1	1940	15,000
Do., 1st mtge.	5	1	1927	2,500
Saguenay Elec.	5½	1	1953	27,540
Shaw. Falls Term.	5	1	1957	2,665
Robt. Simpson	5	1	1952	31,330
Steel of Canada	6	1	1940	92,034
Sterling Coal	6	1	1940	17,370
200 St. Clair	7	1	1945	5,320
Un. Gas & Fuel	5½	1	1948	44,288
Un. Grain, A	5	2	1948	71,637
Van. Pr., deb.	4½	2	Perp.	154,593
Viau Biscuit	6½	1	1946	10,348
West. Can. Hyd.-El.	6	1	1950	30,000
Do., conv. debs.	6½	1	1945	14,625
Western Grain	6	2	1949	81,600
Western Power	5	1	1949	79,552
Windsor C. Apt.	▲6	2	1942	11,400
Wpg. Elec.	4½	2	1960	78,750
Do., A	4	2	1965	548,924
Corporation bonds				22,937,940
Municipal bonds				10,903,427
Provincial bonds				8,077,261
Dominion				11,653,537
Total				53,572,165

*Redeemed Jan. 1, 1937. •Jan. 2, 1937. †Total payment 11%, includes 8% on arrears. ▲Coupon due June 1, 1933.

What's What In Advertising

By TORY FLEMING

O'Cedar Co. of Canada Ltd. have increased their advertising appropriation by 25% this year. The spring campaign will open in leading magazines and newspapers across the country, while radio and billboards are being considered. The Toronto office of the Benison Co. is directing the account.

* * *

J. Walter Thompson Co., Toronto, has been appointed to handle advertising for the Paint and Varnish Division of Canadian Industries Ltd. Five divisions of C.I.L.—Cellophane, general chemicals, organic chemicals, salt, paint and varnish—are now under the direction of this agency.

* * *

Cockfield, Brown & Co., Toronto, are now in charge of advertising for Gruen Watch Co. of Canada, Toronto.

* * *

Homer-Warren Co., Toronto, is sending out instructions through the Benison Co., Toronto, to daily, farm and rural papers. Weeklies are also being used extensively.

* * *

A big forward step has been taken in the media field with the formation of the Canadian Circulation Audit Board, to provide audited circulation statements for paid circulation papers not now members of the A.B.C. and for free distribution papers. The new board is the culmination of a year's work on the part of representatives of advertisers, agencies and publishers. Continuous audits, taken once or twice yearly, will be made of all member-papers on application and publishers are now being notified of the service available. It is expected the C.C.A.B. will eliminate most of the difficulties encountered by advertisers in buying industrial or trade paper coverage, reacting also to the benefit of the legitimate publishers.

Donnacona Paper Notes are Offered

New Capital Will Be Used for Plant Extension During 1937

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co. announce official offering of $750,000 of Donnacona Paper Co. 5½% 10-year notes at 100 and accrued interest.

This new capital will be used in part by the company to carry out a programme of additions and betterments involving a capital outlay estimated at approximately $500,000.

As a result the newsprint capacity of the plant will be increased 240 tons to 275 tons daily; the amount of saleable sulphite pulp from about 35 to 65 tons per day. In addition the company plans an initial hydro-electric power development of 2,250 h.p. and will also acquire a new self-propelled steel barge to carry newsprint.

Particulars of the issue follow:

$750,000
DONNACONA PAPER CO.
5½% 10-Year Notes

Dated: Jan. 2, 1937. **Mature:** Jan. 2, 1947.

Principal and interest payable only in Canadian funds. Callable at any time on 30 days notice at a premium of 3% up to and including Jan. 2, 1942, the premium decreasing one-half of 1% each year thereafter before maturity.

Sinking Fund—First payment to be made on Jan. 2, 1938, amounting to 3% of the aggregate principal amount of notes issued, plus interest on notes previously retired.

Company—Engaged in the manufacture of newsprint, insulating board, groundwood and sulphite pulp.

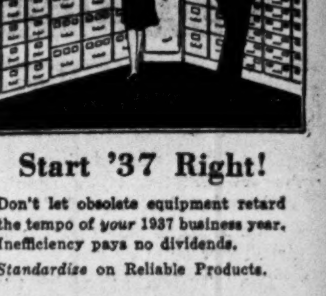
Assets—Property and plant are carried on the books at $10.9 millions as at Nov. 30, 1936. Depreciated value of property on the same date amounted to $8 millions.

Note Indenture—No dividends will be paid as long as notes are outstanding which will reduce the net working capital below $1 million; limitations are placed upon the note issuing power of the company.

Purpose of Issue—About $500,000 will be used to defray the cost of the proposed programme of additions and betterments and the balance will be used to provide additional working capital.

Contracts—Company recently made several contracts for the greater part of its total output, running for a period of years commencing Jan. 1, 1937. The company also has contracts for sale of all sulphite pulp not required for its own use in the manufacture of newsprint. Sales of insulating board and specialties have expanded steadily since 1930.

Offered—By W. C. Pitfield and Co. at 100 and accrued interest to yield 5½%.



Start '37 Right!

Don't let obsolete equipment retard the tempo of *your* 1937 business year. Inefficiency pays no dividends.

Standardize on Reliable Products.

OFFICE SPECIALTY MFG. CO. LIMITED
NEWMARKET, CANADA
Branches in Principal Canadian Cities

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters—All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

A Distinguished Reputation

The Millers of Purity Flour have built a Canada-wide reputation on the sound foundation of Quality. By the most exacting test of all — the goodwill of housewives and bakers throughout Canada — this Company has held its leading position for over thirty years.

PURITY FLOUR
Best for All Your Baking

Milled by Western Canada Flour Mills Co., Limited.
Head Office: Toronto; Branches from Coast to Coast. Mills at: Goderich, Winnipeg, Brandon, Calgary and Victoria.
Other leading products: Purity Rolled Oats; Purity Salt; Hovis Flour; Pioneer Poultry Feeds.

C. D. HOWE COMPANY LIMITED
Consulting Engineers
Grain Elevators—Flour & Feed Mills—Reports—Appraisals.
SEVENTH FLOOR, WHALEN BLDG. — J. M. FLEMING, *Mgr. & Ch. Engr.* — PORT ARTHUR, ONTARIO.

THE CANADIAN CONSOLIDATED GRAIN
COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

Northern Elevator Company
Limited
Incorporated 1893
OLDEST ESTABLISHED GRAIN FIRM IN CANADA
40 YEARS OF CONTINUOUS PUBLIC SERVICE
Head Office:
GRAIN EXCHANGE — WINNIPEG, MAN.

EST. 1857
Grain Merchants Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA — MONTREAL MOOSE JAW — VANCOUVER SASKATOON — TORONTO CALGARY — KINGSTON EDMONTON

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1937, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
DUDLEY DAWSON,
General Manager.

Toronto, 8th December, 1936.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 288

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 28th day of January, 1937, to shareholders of record at the close of business on the 14th day of January, 1937.

Dated the 8th day of January, 1937.
I. McIVOR,
Assistant-Treasurer.

Penmans Limited

Dividend Notice

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1937.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of February to Shareholders of record of the 21st day of January, 1937.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1937.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.

Montreal, December 30, 1936.

DIVIDEND NOTICES

Anglo-Canadian Telephone Company

PREFERRED DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and Three-quarters Per Cent. (1¾%) has been declared on the 7% Cumulative Preferred Stock of the Company for the Quarter ending January 31, 1937, payable February 1, 1937, to Stockholders of record at the close of business on January 15, 1937.

By Order of the Board,
GEOFFREY PURDY,
Secretary.

Montreal, January 14, 1937.

Canada Cement Company Limited

PREFERENCE DIVIDEND No. 19

Notice is hereby given that a dividend of One Dollar ($1.00) per share on the Preference Stock of this Company has been declared, payable on the 20th day of March next to Preference Shareholders of record at the close of business February 28th, 1937.

G. A. RUSSELL,
Secretary.

Montreal, January 11, 1937.

A.J.Pattison, Jr. & Co. Limited
Established 1907
For twenty-nine years we have rendered a Standardized Service to BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

Week in Mining

Gold and Metal Shares Put Index at New High

Market Tending More and More to Represent Hopes For the Future

The figure, representing the trend of the mining market as shown by the weekly index of the Dominion Bureau of Statistics, reached, on the week ended Jan. 7, an all-time high.

The index is based on the action of 21 typical listed gold stocks, and three representative base metal stocks.

The lofty levels to which the index has climbed is due largely to the concerted action of both golds and base metals.

The base metal stocks are perhaps sounding the dominant note in the market today. The general feeling regarding copper, lead and zinc appears to be increasingly optimistic, as observers point to the steadily rising prices of all three metals, and the rapidly dwindling surplus stocks of copper. Recently, it was estimated that world copper stocks were sufficient to meet current consumption for only a little more than a month.

With this sentiment widespread, it is obvious that market prices in the shares of mining companies tend to represent more and more the hopes of the public rather than the present achievement of the companies concerned.

O'Brien Report

THERE appears to be little in the annual report of O'Brien Gold Mines, reported elsewhere, to account for the decline in the market value of the stock in the past few days.

As pointed out by J. G. Dickenson, general manager, the fact that the high-grade section has not yet been encountered by limited work on the 12th level is considered to be of little significance. Mr. Dickenson is definite in expressing his opinion that the high grade developed from the fifth to the ninth levels will extend at least to the 13th level, the present bottom of the mine.

There are several important points contained in the report. Monthly production has been steadily improving as more of the high grade finds its way to the mill. It is now somewhere in the neighborhood of $93,000.

It is expected that by Feb. 15, the doubled mill capacity planned will go into effect.

It is also significant, in view of the estimates made for this property, that Mr. Dickenson makes no attempt to estimate the average milling grade, because of the unusual nature of the occurences.

* * *

Turner Conservation

NO OFFICIAL revelation of the reasons for the recent resignation of the Hon. C. C. Ross from the Alberta Cabinet has been made.

It is understood in the western circles that the question of conservation has undoubtedly been a large factor in the Cabinet split.

It is well known that Mr. Ross, together with O. W. Dingman, director of the Petroleum and Natural Gas Division has been strongly supporting a reasonable conservation policy in Turner Valley. However, Premier Aberhart is understood to have been influenced by an independent operator and suspended the order in Dec., 1935, regarding quotas. As a result of this suggestion, operators in the valley were left to produce practically as much as they pleased.

Anybody acquainted with the Turner Valley structure would probably agree with leading Alberta oil men in regretting this condition. Government figures show the wastage to amount to 200 million cubic feet a day. The serious effect of this wastage on pressure is obvious.

In the meantime, N. E. Tanner, a school teacher from Cardston and former speaker of the Alberta Legislature, has been appointed to replace Mr. Ross as Minister of Lands and Mines.

* * *

Legislation vs. Horse Sense

THE mills of government appear to be grinding rather slowly in connection with the Rubec salting affair, but it is hoped that the delay indicates that they are grinding exceedingly small.

Hon. Onesime Gagnon, Minister of Mines and Fisheries in the Quebec Government, has appointed W. Amyot, Registrar under the Quebec Securities Fraud Prevention Act, investigator into the case. Mr. Amyot has virtually the power of a Royal Commission, and is holding an investigation in Toronto, with the co-operation of the Ontario Securities Commission.

The Financial Post refers its readers to the sage statement of Maurice Duplessis in connection with securities legislation:

> "It is impossible, even for the best government in the world to substitute itself for elemental precaution which all human beings should take when placing their money."

In the Rubec affair, of course, the public can hardly be held to blame for accepting as authentic drill core assays emanating from official sources. Whether, despite their sensational values, the public was justified in placing the market valuation it did on Rubec as a result of these assays, is open to question.

* * *

Index to Mining Stocks

PRICES in both the gold and base metal issues mounted during the opening days of the year and the general mining stock price index closed the week of Jan 7, 1937, at 172.1, an all-time record. This compares with 170.3 for the preceding week and 135.4 for the corresponding period in 1936.

A fair display of strength appeared in golds, largely attributed to higher prices for the junior issues. Although a slight weakness was apparent on the final day of the week, the gold index registered an appreciable gain, the index rising from 133.6 for the week of Dec. 31 to 135.8 for the week of Jan. 7. This index was 118.3 for the week of Jan. 9, 1936.

Fluctuations were narrow in the base metals group but prices were slightly firmer. The index moved upward from 322.1 for the week of Dec. 31, to 322.3 for the following week. The comparable figure last year was 205.5.

Columario Fails To Pay Mortgage

B. C. Gold Mining Property Under Foreclosure Proceedings

Unable to meet the overdue payment on its mortgage, Columario Consolidated Gold Mines has been foreclosed by the mortgagees, H. P. Mills, secretary-treasurer informs The Financial Post.

Columario Consolidated was formed in April, 1933, to acquire the assets and undertakings of Columario Gold Mines and to finance, by means of a mortgage, the erection of a mill and to continue further development of a potential gold property in the Omineca mining district of British Columbia near Usk.

The property itself has had a rather hectic career and has passed through several hands. The mill resumed operations in May, 1935, for a short while. Last July, shareholders approved a plan to sell the assets of the company to a new concern. Apparently this proposal has not been carried through.

Predict 1937 Will Show Wider Advance to Recovery

A concise study of the factors behind the 1936 recovery, and their bearing on the outlook for 1937, has been made by F. O'Hearn & Co., of Toronto.

After examining the factors which made 1936, from a business point of view, the most satisfactory year since 1930, the report concludes the recovery movement will be even more widely diffused in 1937.

In coming to this conclusion the authors have broken down the various aspects of recovery, with particular emphasis on the mining industry, and show how Canada is peculiarly fitted to benefit from these aspects.

The booklet is plentifully supplied with charts, showing in graphic form Canada's position as regards the important factors of her economic make-up, such as mining, wheat, manufacturing, commodity and stock markets, foreign trade, etc.

Claim Rocks of Labrador Like Canada's Mine Areas

A survey, conducted on a scale which is believed to be larger than has ever been attempted on this continent, over an area of approximately 25,000 square miles on the Hamilton River in Labrador, indicates that a series of rocks exists in this area of an age similar to that in which the gold and mineral deposits have been discovered in Ontario and Quebec, J. H. Colville, president of the Labrador Mining & Exploration Co., Ltd., informs The Financial Post.

The Labrador Mining & Exploration Co. has been conducting this geologic exploration in conjunction with the McKay Exploration Co. which holds a block of stock in Labrador Mining & Exploration Co. The geologic work is also under the guidance of Dr. A. K. Snelgrove, of Princeton University, head of the department of geology and mines for Newfoundland.

Mr. Colville states that mineral occurrences have been observed by the company geologist, but no work has yet been done on these deposits. When a sufficient area has been covered by the geologist, prospectors will be placed in the most favorable areas.

Lebel Oro's New Mill Ready to Start March

From Our Own Correspondent

SUDBURY.—Operations of Lebel Oro Mines at its Long Lake mine, southwest of Sudbury, are proceeding in a satisfactory manner, according to official word. Underground development has been proceeding for some time from the new shaft which was sunk last summer. The new mill has been constructed near the new shaft, a short distance from the old glory hole, which was mined over 20 years ago, and it is expected the plant will be in operation by March 1.

Mill feed will be supplied from the mine, while it is understood the slimes, of which there are about 150,000 tons from previous operations will be treated in the 200-ton mill constructed about two years ago for that purpose. The tailings, it has been estimated, contain gold of an average value of $3.50 per ton.

Mining News Concentrates

Ainsworth Mines—Including two cars recently shipped, this base metal operation near Ainsworth, B. C. has shipped five cars of ore in the past two weeks, it is officially announced.

* * *

Algold Mines—Additional equipment required to give effect to the step-up to 100 tons daily in mill capacity is being shipped to the property in the Goudreau section of Ontario, an official informs The Financial Post. It is expected that the new equipment will be in operation by the end of the month.

* * *

Arbade Gold Mines—Officials announce that the shaft has now reached a depth of 125 ft. where a station is being cut. The new plant equipment recently installed is working satisfactorily.

* * *

Beresford Lake Mines—announces that the option which they held on seven claims and 750,000 shares of Solo Mining Co. have been taken up and payment has been made in full. Originally payments were scheduled as $5,000 on Dec. 1, 1934, $5,000 on Dec. 1, 1936 and $10,000 Dec. 1, 1937 and $30,000 Dec. 1, 1938. On the 225-ft. level two sections have been opened up, the first showing a length of 162 ft. at an average of $14.45 across 51 inches and the second opened up for 111 ft. showing an uncut average value of $10.55 across 42 inches. Work is now proceeding to open up the third and fourth levels.

* * *

Bilmac Gold Mines — two box holes have been started from station on the 170-ft. level to prove the downward continuation of the vein from the upper level and indicate the tonnage of ore in this vein. E. W. Asselstine, engineer, reports that drifting on the 170-ft. level north end is in 41 ft. to date from the last plug. This vein is mineralized and six feet wide between the walls. On the 400-ft. level drifting has been carried out about 300 ft.

* * *

Darwin Gold Mines—three raises on the eighth level in the new east-west vein are now in good ore with high-grade values reported in two of the three, the company reports. Production during the fourth quarter of 1936 amounted to $61,810 as compared with $48,153 in the third quarter. December production, despite suspension over Christmas, totalled $21,086 compared with $18,631 in November.

* * *

Eldorado Gold Mines—Harry Snyder Ltd. underwriters have advised that the commitment due March 1 for the purchase of stock would be taken up seven weeks in advance, Gilbert LaBine, general manager of Eldorado informs The Financial Post. Mr. LaBine further stated that the company was proceeding with the expansion programme both at the mine and at the radium refinery in Port Hope, details of which were given in a recent issue of The Post.

* * *

Flin Flon Gold Mines—is drifting from the 450-ft. level, with most of the work being concentrated on the north drift where the ore zone indicated in the drilling was farther from the shaft than the south ore zone.

* * *

Gunnar Gold Mines — December production is reported to be valued at $58,456, from 3,624 tons treated. Net recovery per ton amounted to $16.13. This showing was made in spite of the fact that the mill was closed down for the first three days of the month and in spite of slackening of operations at Christmas. November production was $56,700. No. 2 shaft on No. 3 vein was completed to the objective of 375 ft. Jan. 4.

* * *

Hollinger Consolidated—is responsible for the formation of **Kayorum Gold Mines** which is taking over a consolidation of a group of properties south of Vipond Consolidated in the Porcupine area.

* * *

J. M. Consolidated Gold Mines—Slashing of the east wall of No. 21 stope has proved a section of some 40 ft. of new ore at the south end of the stope, it is officially reported. No. 12 stope continues to give good results while preparation of No. 22 stope is well under way. Production average up to Dec. 25 was 100.45 tons with mill heads averaging $17.56 per ton.

* * *

Kirkland Eastern Gold Mines—has summoned a special general meeting for Jan. 22 to authorize sale of the companies properties to a new company with an authorized capitalization of $3.5 millions. Exchange of stock will, it is understood, be on a share for share basis if the plan is approved.

* * *

Lakeland Gold — M. D. Wayman, president, reports that **Noranda Mines**, which recently secured a working option on this property at Bourkes, Ontario, 12 miles northwest of Kirkland Lake, has shipped extra diamond drilling equipment in preparation for drilling. Equipment on the property is capable of developing work to 1,000 feet. Two shafts have been developed with considerable underground work.

* * *

Lancour Mines—Mining Research Corp. has been appointed to take over the direction of the new exploration and development campaign at this property adjoining Pamour Porcupine Mines in the Porcupine area of Ontario. Following a recent geological survey made by Hans Lundberg Ltd. Mr. Lundberg recommended diamond drilling at the southern boundary of the property.

* * *

Maskwa Lake Gold Mines — has taken action against Bruno Long Lac, to whom the Maskwa property was sold, for a return of the property charging that terms of the purchase agreement have not been lived up to. The property is a few miles east of Great Falls and Lac du Bonnet in Manitoba.

* * *

Mink Lake Gold Mining Syndicate—has sent a crew to its property at Stull Lake, just east of the Manitoba boundary line. Surface work will be done.

* * *

Matona Gold Mines—reports encountering visible gold on the 125-ft. level from 332 ft. from the shaft to 360 ft., with the last face sampled showing a width of 38 inches. The property is in the Shining Tree area of Ontario.

* * *

Mylamaque Gold Mines — has awarded a further contract for diamond drilling its property in the Lamaque area of Quebec. It is officially reported that preliminary drilling on some 7½ acres out of the 725 acres held by the company has been quite encouraging.

* * *

Perron Gold—Total production for December amounted to $64,336 (1,838 oz.) Average recovery is expected to reach 98% when the new addition to the mill is in normal operation. For the last half of December, milling rate averaged 303 tons per day.

* * *

Pioneer Gold Mines—reports to The Financial Post that December production grossed $185,000. Expenses were $73,000. Production for the nine months to the end of the year was $1,738,000. December production was $15,000 better than the estimate made in the official report released last November and indicates that directors kept well on the conservative side in placing monthly production and average grade of .45 ounces.

* * *

Queensboro Gold Mines—in a report to directors, M. W. Arnott, consulting engineer, recommends further cross trenching and surface stripping after which, if warranted, diamond drilling should be carried out. Queensboro Gold Mines is capitalized at 3,000,000 share $1 par value of which 2,675,000 shares remained in the treasury as of Jan. 6, 1937.

* * *

Reno Gold Mines—the option on 20,000 shares at $1.30 per share which went into default on Dec. 15, 1936 has now been renewed and extended to Jan. 31, 1937 on the same number of shares and at the same price.

* * *

Richmac Gold—Alex. L. Reading, engineer in charge, states that the prospects for this Red Lake property are increased and that consequently a more advanced form of development should be carried out. Recent exploration has resulted in "interesting gold values being obtained at a number of widely distributed places on the claims," Mr. Reading reports.

* * *

Southern Golds—has been formed with an authorized capital of three million shares of which 1.2 million shares have been issued and are held in escrow to develop a group of claims in the Piedmont Goldfield, South Carolina, U.S.A. Financing arrangements were completed some few weeks ago and the property is now being developed.

* * *

Sunbeam Kirkland Gold Mines—will concentrate development on the Sunbeam group in the Falcon Lake area of Ontario. Some 500 feet of drilling done to date has, officials claim, indicated an ore zone over 100 ft. long with widths of five to 20 ft. Drill core assays ranged from a trace to $31.15 per ton. Dr. Thomas R. Gledhill has recommended further drilling. Work on the Tiblemont and Kirkland Lake properties is expected to be resumed this spring.

Insurance Companies Investing in Mining

1936 Portfolios To Show Mineral Shares Among Purchases

By WILFRID SANDERS

Apart from giving it a top hat, a corporation, and a seat in the Senate, nothing could give the mining industry as much "respectability" as including the common stock of mining companies in the portfolios of Canadian life insurance companies.

Mining has gone a long way toward convincing the Canadian public that it is an important basic industry, and fit company for industrial common and even preferred stocks in any man's portfolio.

Until 1936, however, mining stocks were shunned by the life insurance companies, in seeking investment fields. The portfolios of those companies at the end of 1935 show none of these shares among the investments in common stocks.

When the portfolios as at Dec. 31, 1936 are published, however, The Financial Post is reliably informed, mining stocks will make their début in the investment lists of several leading companies.

Investment heads of several other large insurance companies are asking themselves: "Why shouldn't life insurance companies invest a portion of their funds in mining stocks?"

Legal Restrictions

The Insurance Act provides that any Canadian life insurance company may invest its funds in the common stocks of any company or corporation, "upon which regular dividends of at least 4% per annum or, in the case of stocks of no par value, of at least $4 per share per annum have been paid for the seven years next preceding the purchase of such stocks."

If this were the only consideration, half a dozen mining stocks would qualify for this elevated position today.

The company which comes first to mind in this regard is McIntyre Porcupine Mines. Other stocks which would qualify under this regulation are Hollinger, Teck-Hughes, Noranda, Lake Shore, and perhaps Dome and Consolidated Smelters.

From conversations on this matter with the investment heads of leading insurance companies, The Financial Post understands that one reason why the stock of such companies has not been included formerly in portfolios is doubt as to the attitude of the policyholders and the public. It is extremely difficult to gauge public opinion in such matters, and public opinion is not always based on sane and comprehensive thinking.

Wasting Assets

It is also argued that every mine represents a wasting asset, in that every ton of ore removed from the mine shortens its life. Unlike a large section of the public, the investment department of a life insurance company is looking mainly for yield, and not for capital appreciation. In the case of mining, it is a well-established rule of thumb that dividends paid should be regarded largely as a return of capital rather than a yield, until the original capital outlay involved in the purchase of the stock has been returned.

An insurance company, those opposed to the inclusion of mining stocks argue, depends on the income from its investments. It should not put itself into a position where its revenue is affected by the ups and downs of the common stock market.

The investment heads of some insurance companies are frankly apprehensive of the basis for the present boom in the common stock market, both mining and industrial. They feel that the market is in a vulnerable position owing to the presence in it of vast sums of money from foreign countries, particularly from United States, which is there because of a fear complex prevailing in the land of origin. They feel that further large sums of money, at present serving to bolster these markets, are normally occupied in other things, and that as soon as conditions become normal, will be withdrawn. In the pithy parlance of the New Deal, this is known as "hot money."

Yield vs. Appreciation

Against all these arguments, other insurance experts argue that while the chief concern of those responsible for the placing of policyholders' money should be yield rather than capital appreciation, there are Canadian mining companies which have rapidly built up such reserves that the dividend might very well be regarded as a legitimate yield.

A case in point is McIntyre Porcupine. At the end of this company's fiscal year, in March, 1936, its working capital, taking securities at their market value, amounted to $15,259,487, equivalent to about $19 working capital per share. This company has consistently adhered to a policy of building up its reserves, with the ultimate objective of being able to redeem the stock when the mine is worked out. In many ways, such companies as McIntyre Porcupine are really in the nature of investment trusts.

Dividend Record

To continue using this example, McIntyre Porcupine started paying dividends in 1917. Dividends in that year were 10% of the par value ($5) of the stock. This compares very favorably with the 4% mentioned in the Insurance Act. Dividends in the 20 years (the insurance act calls for only seven) in which McIntyre has been paying them, have never dropped below this 10%, and in the 1936 fiscal period, McIntyre's dividends amounted to 40% of the par value of the stock.

At the present time, McIntyre is selling at around $40 per share. At the 1936 rate of $2 per annum, this would represent a yield of about 5%.

How does this compare with current bond yields? Many 30-year bonds pay 3%. In other words, an insurance company is asked to lend its policyholders' money for 30 years for 3%. On short-term bonds, the average yield would be 2% or less.

Remember that the reserves of McIntyre Porcupine, and similar companies, are in government bonds, cash, bullion, or marketable securities.

"Ridiculously Low"

Those insurance men who favor including some mining stocks in the portfolio of their companies, point out that any yield over 3% could be used as a reserve fund, or otherwise treated as a return of capital.

"The portfolio's of many insurance companies today are too heavy with government bonds and other debentures on which the yield is ridiculously low," stated the investment head of one large company. "We could get a higher yield in the London market. Yet 65% of our invested assets are in this type of bond. We know that today bond prices are out of line. Yet we are buying bonds knowing that they are going to depreciate in value."

One of the important factors in this discussion is the future course of the gold price. Opinion differs sharply as to the probable course of gold in the next decade, and reference to this factor here will have to suffice. Briefly it is argued by those opposed to the purchase of gold stocks, that the present level of gold is unstable, thereby making gold stocks undesirable. Other experts predict that gold will remain at its present level at least for many years.

In any event, it is pointed out that by law, life insurance companies are only allowed to invest a maximum of 15% of their invested assets in common stocks. Of this, only a small percentage would be invested in the common stocks of mining companies, so that the relation of mining stocks to the whole portfolio would be insignificant. Few companies at present have as much as 15% of their assets invested in common stocks.

Many life insurance companies are already indirect investors in mining stocks. Power Corp., for example, in which several large insurance companies are interested, has stock in O'Brien Mines. Thus, whether they approve of the principle or not, these companies have a stake in the mining industry.

OPTIONS

The Toronto Stock Exchange has been advised, in accordance with listing regulations regarding options and underwritings on the treasury shares of the following companies:

Chromium Mining & Smelting—Has received payment for 250,000 shares at 41 cents per share under agreement Nov. 21, 1935, bringing total issued capital to 2.7 million shares. This payment completes option.

Eldorado Gold Mines — An additional 23,000 shares have been taken up at $2.15 per share under agreement Nov. 24, bringing total issued capital to 3,662,560 shares. Next payment is due by Sept. 1, and comprises 75,000 shares at $2.15.

Federal Kirkland — An additional 75,000 shares have been taken up at 20 cents per share under agreement Dec. 2, bringing total issued capital to 3,365,508 shares. Next payment comprises 100,000 shares at 25 cents by June 3.

Glenora Gold Mines—Jan. 4 installment under agreement June 11 covering 100,000 shares at 40 cents per share has not been made.

MacLeod-Cockshutt—A total of 251,621 shares has been taken up by shareholders in connection with rights offered as of Oct. 15, bringing total issued capital to 2,666,626 shares.

East Malartic — An additional 44,754 shares at 60 cents per share and 10,246 shares at 80 cents have been taken up under agreement Oct. 31, 1935, bringing total issued capital to 2,760,247 shares. Balance of option comprises 239,754 shares at 80 cents.

Central Porcupine — 30,000 shares have been issued for the purchase of the property known as the Canadel claim, which brings total issued capital to 3,595,118 shares.

O'Brien Ore Now Located On 11th Level

General Manager Believes Continuation at Least to 13th Level

CASH POSITION GOOD

"I have no hesitation in giving it as my opinion that the high grade developed above the 9th level will extend at least to the 13th level with a very probable extension of length," states J. G. Dickenson, general manager of O'Brien Gold Mines, in presenting a supplementary report to Jan. 6, to accompany the regular annual report of this company for the fiscal year ended Sept. 30, 1936.

At the present time, according to Mr. Dickenson, the mine is being developed to the 13th level. Since the end of the fiscal year the shaft was sunk from the 9th to the 13th level.

Development results from the 4th to the 9th level have been summarized by Mr. Dickenson as follows:

Development Summary

Fifth level: beginning 130 ft. west of the shaft, mill ore was encountered for 40 ft., followed by spectacular high grade for 30 ft., and good mill ore for 115 ft., a total length of 185 ft. of ore on this level; sixth level: at 50 ft. west of the shaft, mill ore was encountered for 125 ft., followed by 25 ft. of high grade and a further 30 ft. of good mill ore, a total length of 180 ft. of ore; seventh level: 65 ft. west of the shaft, mill ore was encountered for 125 ft., succeeded by high grade for 35 ft. and a further length of good mill ore for 60 ft., making a total of 220 ft. on this level; eighth level: 50 ft. west of the shaft, good mill ore was shown for 155 ft., followed by 35 ft. of high grade and another 70 ft. of good mill grade ore, a total length of 260 ft. of ore; ninth level: mill ore was encountered 100 ft. west of the shaft for 125 ft. and followed by 50 ft. of high grade and another 95 ft. of good mill grade ore, a total length of 270 ft. of ore on this level.

Actual estimated values have not been given for this ore body and it is understood that grade can only be ascertained by actual milling results which, to the end of 1936, had only been carried on with drift material.

General and geological structure on all five levels opened is approximately the same.

Plan New Shaft

A new shaft location has been decided upon at about 2,900 ft. west of the main shaft, about half way between the main shaft and the western boundary of the property. At this point excellent diamond drill results were obtained in an earlier drilling campaign in 1935. This shaft is to be started as soon as the main shaft reaches its objective and will be carried to 500 ft. depth. Provision has already been made for necessary buildings, machinery and equipment.

Doubling of the capacity of the crushing, concentrating, roasting and cyaniding plant is expected to be completed by Feb. 15, giving the plant a capacity of 150 tons per day. At the same time increased hoisting facilities will be ready for use.

Results of the recent favorable developments were first felt in May, 1936. Gold content of the ore treated for the seven months ended April 18, 1936, was 3,060 oz., valued at $107,099, and for the ensuing five months ended Oct. 3, 1936, 11,839 oz., valued at $414,364. An operating profit of $264,410 was obtained for the latter period as compared with a loss of $47,944 for the seven months ended April, 1936. The company is reported to have working capital of $808,352.

The balance sheet as at Oct. 3, 1936, shows current assets of $930,210, including cash of $111,561, against current liabilities of $121,859. This leaves working capital of $808,351, as compared with working capital of $985,849 at the end of the 1935 fiscal year.

Income and Surplus Account

	Period Oct. 5, 1935 to Oct. 3, 1936 $	Period Sept. 8, 1934 to Oct. 5, 1935 $
Bullion production*	466,013	178,887
Prod. of concentrates‡	7,394	51,325
Metal in process	14,593	....
Int. on invest., etc.	17,426	23,730
Miscellaneous	2,044	....
Total income	507,470	253,942
Less: Oper. devel., mining, milling & office exps.	251,058	205,765
Legal & directors' fees, etc.	8,365	3,208
Depreciation	41,725	24,823
Exploration w/o	32,139	10,869
Net profit for period	†174,183	9,277

†Subject to federal income tax and Quebec corporations tax.

*After deducting marketing expenses of $6,134 in 1936 and $2,345 in 1935.

‡After deducting estimated cost of treatment and realization amounting to $3,495 in 1936 and $20,595 in 1935.

Parkhill Gold Mines Has $75,700 Last Quarter

MONTREAL.—Parkhill Gold Mines reports total recovery for the quarter ended Dec. 31, 1936, of $75,700 from 5,754 tons milled. The average recovery per ton was $13.16 and the average daily milling rate 60 tons.

The report from the company to the Montreal Curb Market further stated that developments on the mines' lower levels, the 11th and 12th, are encouraging.

The report states in part: "On the 12th level among others an excellent stope has been opened up and at the present time is showing a length of 60 feet over good mining width and grading 9.75 dwts. Work on the 13th level has only recently been started. The mine reports that a good looking shear has been encountered on that level and shows quartz stringers over a width of five feet.

Central Mining Corp. Starts New Programme

MONTREAL. — Central Mining Corp., on the advice of Dr. J. F. Wright, consulting geologist, is undertaking a programme of shaft sinking and underground development on its West Shore property in the Elbow Lake district in Manitoba. The geologist estimates that the 15 holes between Nos. 17 and 13 have indicated along a vein length of 50 feet, sufficient ore for a 200-ton mill down to the 300-foot level. The main vein north of this section has been tested by four holes which are expected to add to the presently indicated tonnage, as each of these holes struck the vein.

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See Turner Gas Wastage Behind Ross Resignation

Alberta Oil Men Attack Policy of Premier Aberhart

From Our Own Correspondent

CALGARY.—Resignation of C. C. Ross, mining and oil engineer with a wide knowledge of Alberta oil conditions, as minister of lands and mines, has caused concern to oil operators in this province who have looked upon Mr. Ross as the ideal man to direct oil field development. His successor is Hon. N. E. Tanner, Cardston school teacher and former speaker of the Alberta Legislature.

Oil men in Calgary and elsewhere in Alberta attribute Mr. Ross's resignation to opposing views held by the minister of mines and Premier William Aberhart on the necessity for gas conservation in Turner Valley.

Another explanation being advanced is that Mr. Ross's resignation was in the nature of a protest against appointment of Hon. Lucien Maynard, leader of the radical group, to the Alberta Cabinet.

In Nov., 1935, Mr. Ross set severe gas quotas for each naphtha producing well in Turner Valley. These quotas were to have become effective in Dec., 1935. In the meantime, however, Premier Aberhart listened to the plea of an independent operator, and, going over his minister's head, suspended the gas quotas. It was known at the time that Mr. Ross keenly resented this action upon the part of the head of the Government and considered submitting his resignation.

No Conservation Now

As a result of the suspension of the gas quotas by Premier Aberhart, there has been no compulsory gas conservation in Turner Valley for more than a year. What gas conservation has been put in effect has been purely voluntary. Official Government figures show Turner Valley gas wastage in 1936 was in excess of 200 million cubic feet a day or 72 billion cubic feet in the year.

Robert Wilkinson, president of Century Royalties, and a prominent independent operator, has stated publicly that the action of the Government in allowing this tremendous wastage during the past year harmed the field to a very considerable extent. He expressed the view that the Foundation well would have been a flowing crude well from the start if gas reserves in the crude oil area of Turner Valley had not been almost exhausted before that section of the field had been drilled.

Of approximately 240 million cubic ft. of gas being produced daily by Turner Valley oil companies at present, only an average of approximately 25 million cubic ft. daily, throughout the year, is being sent over gas company lines for consumption. The rest is wasted to produce naphtha.

Foundation's Production

Foundation production, latterly, has been averaging about 342 bbls. of crude oil daily although, at times, the well produces at a rate between 500 and 600 bbls. daily. The small gas flow of less than 500,000 cubic ft. daily originally, has increased of late and Foundation officials state the well should produce much more oil. As a consequence the recently installed tubing placed in the well is to be pulled out, the hole cleared of all obstructions, the bailer lost several months ago ground up, and the well generally put into condition to produce the maximum production possible. Foundation officials expect when this work is completed, the well will produce a steady yield of 600 bbls. a day.

Weymarn Test

The Weymarn well on the Pincher Creek structure in southern Alberta has jumped into the spotlight with an announcement that a production test is to be made as soon as casing is run to bottom at 5,960 ft. Officials of Weymarn Petroleums state that recent oil and gas showing justify a production test as soon as possible. Drilling has been suspended while casing is being run.

The Roxana well on the Kootenay dome, west of Calgary, has also attracted interest by increased gas showings in the limestone recently. Gas from the well contains highly poisonous fumes and one member of the crew had to lay off for some time while his eyes were treated.

26 New Locations

Twenty-six locations have been chosen for new wells in Turner Valley and some of them are scheduled to be started this month. The list is as follows:

Apex, British Trans-Canada
Davies Petroleum; Equitable
Firestone, Fenerty
Globe, Granville
McDermid, McDougall-Segur
Mercury 8, Model 4
Model-Spooner, Monarch
National Petroleum 1 and 2
Prairie, Revenue
Richland, Share, Sterling-Pacific 3
Sunburst Oils, Union Drilling 2
West Turner, Woodhall

Mining Dividends

	Rate	Close Jan. 11	Yield %
Anglo-Huronian	20c	6.60	
Beattie Gold	†5c	1.30	..
Bralorne	40c+15c	8.00	..
Buff Ankerite	20c	4.65	..
Bulolo Gold	‡1.40	28.00	1.7
Cariboo	10c	1.75	5.7
Central Patricia	†4c	4.45	..
Coniagas	12½c	3.30	..
Cons. Smelters	$1+$1	80.00	..
Dome Mines	$2+$2	49.50	*8.1
Falconbridge	30c	12.00	2.5
Hollinger	65c+45c	14.25	*7.7
Howey Gold	2c	.64	..
Hudson Bay	$1	34.00	..
Island Mountain	‡10c	1.18	..
Int. Coal & Coke	‡1c	.22	..
Int. Nickel, c.	$1.60	64.25	2.5
Inter. Mining	45c	18.65	..
Kerr Lake	5c	.65	..
Kirk. Lake	‡3c	1.29	..
Lake Shore	$5	58.00	8.6
Lava Cap M.	4c+1c	.83	..
Little L. Lac	30c	7.10	..
Macassa	15c	8.00	..
McIntyre	$2	41.00	4.9
McKenzie R. Lake	6+1c	1.80	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	1.10	..
Nipissing	50c	2.89	..
Nor. Can. Mining	2c	.80	..
Noranda	$3	75.00	4
Pickle Crow	20c	8.35	2.4
Premier	12c+4c	4.15	*3.8
Pioneer, B.C.	80c	6.20	12.9
Reno	12c	1.25	9.6
San Antonio	14c	2.30	..
Sheep Creek	6c	.75	8
Siscoe	20c	5.10	3.9
Sudbury Basin	10c	6.15	..
Sylvanite	20c	3.90	5.1
Teck-Hughes	40c+5c	5.55	*8.1
Toburn	8c	4.00	2
Ventures	2½c+2½c	3.00	..
Ymir Yankee Girl	5c	.36	..

‡Interim. †Initial.
*Yield includes bonus.

Colonial Gold Mines Working Two Properties

From Our Own Correspondent

MONTREAL. — Colonial Gold Mines reports that satisfactory progress has been made in the development work on both the Cadillac and Dalquier properties in Quebec.

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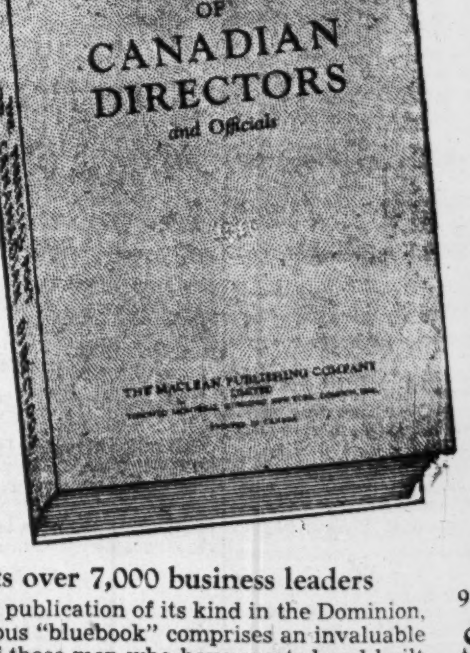

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Sturgeon Lake Preparing for Active Season

Several Companies Make Plans for Development Work

DARKWATER IN VAN

From Our Own Correspondent

KENORA.—After years of struggling, the Sturgeon Lake area, through impetus supplied by Darkwater Mines, appears at last, to be heading for a position of success among Northwestern Ontario camps. A shaft is well on the way to its objective at Darkwater Mines, while, within a few weeks, plans call for two more companies to commence sinking. Two others are now proceeding with diamond drill campaigns and are getting results, while the single producer, St. Anthony, which always had difficulty locating pay rock, has discovered the best ore yet in development work on the 500-ft. level.

Darkwater, which is nearing the 375-ft. level, holds the spotlight. An ore body 1,200 ft. long and 5½ ft. wide, with average value of approximately $14.50 has been defined. Levels have been established at 125 and 250 ft. Confidence in this undertaking, which is in good hands and well financed, is shown in price of stock which, on the listed market of the Toronto Exchange, is selling at nearly $3.

Ready to Sink Shafts

Two companies, Savant Sturgeon and Supreme, are preparing to sink 150-ft. shafts in each case. Work is proceeding at Supreme to get the plant in shape with buildings already erected. The underground campaign is being designed to open up five parallel veins that have been explored by surface work and drilling. They lie 60 to 100 ft. apart. Length of nearly 400 ft. has been determined and assays have shown some commercial values.

W. F. Stewart, in charge at Supreme, will also direct the sinking programme at Savant Sturgeon (formerly Metropolitan Gold Mines) near Supreme. A shaft is already down 90 ft., but whether this is to be extended or a new one started has not yet been stated. Surface exploration has revealed four parallel veins which are to be opened up underground.

Denman Securities Limited holds an option on the McDonald-Reid claims and has just completed a programme of 5,000 ft. deep drilling. As a result of encouragement from first work, the contract has been extended to carry out 5,000 ft. more on a vein with large-tonnage possibilities.

Ontario Quebec Prospectors and Coniagas Mines are participating in financing diamond drilling at Wesley Gold Mines. Some encouraging details have been announced and 130 ft. of ore added to the previously known ore length. Plans are in hand to resume underground work. A shaft is down 160 ft.

Mill Shut Down

St. Anthony has shut down its mill to concentrate energies on underground work. The shaft is being extended to 875 ft. for two new levels to be opened. The largest brick in history of the mine was poured before the mill stopped.

L. C. C. Gold Mines is a newly organized company which has completed winter camps on the Dawson claims adjoining St. Anthony to the north. It is planned to carry out 10,000 ft. of diamond drilling during the winter. Clifton Consolidated Mines has been carrying out surface exploration and diamond drilling. Golden Sands Mining Company, newly organized, has been doing work on the Anderson claims with encouragement. Some interesting results were secured at Sturgeon Aurora when diamond drilling was carried out in the fall with funds supplied by New York interests.

Parkhill Sells More Stock

MONTREAL. — Parkhill Gold Mines advised the Montreal Curb Market that the balance of its treasury shares, 6,506 shares, have been subscribed for and issued. The entire capital of three million shares is now outstanding.

Sand River Gold

Work on this property is progressing quickly and satisfactorily. Important developments are now taking place.

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Mining Meets Insurance Through H. Rupert Bain

By KENNETH R. WILSON

Seven or eight years ago a friend called on H. R. Bain, then the head of a municipal bond firm of that name.

Mr. Bain was a bit wrathy. He had just been called on by three or four individuals, each anxious to sell him some life insurance.

"I wish I owned a life insurance company," Mr. Bain told his friend, "I'd like to see what could be done about the selling end of the business."

Mr. Bain's wish has come true. He owns—or at least he now controls—a life insurance company—The National Life—and in considerable humility he now faces the opportunity to put into practice some of his ideas on insurance salesmanship.

Plenty to Learn

Mr. Bain admits very frankly that he knows very little about the life insurance business—as yet, though his contacts with the business go back to the days when he used to sell municipal bonds to the treasurers and investment executives of Toronto companies. And he has always carried a considerable volume of insurance himself—much of it, incidentally, with the National Life.

Sales and Investments

At present, his ideas about the life insurance business are simple and clear-cut. To him, the "technical" side of the business—that is the medical and actuarial problems—should be left in the hands of the experts.

Granted a company is blessed with a staff of capable experts in these two departments, he feels the major problems requiring executive leadership are those of selling and of investment. These are the two fields in which he hopes to make his own personal contribution to the welfare and growth of the company he has acquired.

They are the two spheres in which his own training and experience lie and to which he expects presently to devote considerable attention.

In regard to investments his plan is to strengthen the company by appointment to the board of directors of men competent to give leadership along this line and from whom an executive committee will be chosen which will meet regularly each week at the company's offices.

Born at Prince Albert

H. Rupert Bain was born 38 years ago in Prince Albert, Saskatchewan. His father was a doctor who practised for some years in Winnipeg and later in Prince Albert. His uncle was Judge Bain—one of the first lawyers to practise in Winnipeg and an original director of the National Trust Company.

Educated in Prince Albert, Winnipeg and Toronto, Rupert Bain returned from overseas to take charge of the bond department of Carruthers, Martin and Torrance, of Winnipeg. Later he came east to join the firm of Edward Cronyn & Co. and subsequently the Toronto office of Nesbitt, Thompson & Co.

In February, 1923, he organized his own company which specialized in municipal bonds until 1933. It undertook a few major underwritings including the financing of the Lord Nelson Hotel, Halifax. Then he took what was in those days a hazardous plunge into the Canadian mining industry. Tying up with Jack Hammell and Greene Stabell, his firm made the first Canadian public offering of mining shares that had been floated since the depression.

Today he boasts an organization of over 200, devoted largely to the financing and merchandising on a large scale of Canadian mining properties. Based on a plan followed successfully in England and other countries he has capitalized the idea that successful speculation and investment in mining properties must be financed by large-scale enterprise—that is by firms or groups able and willing to put from $25,000 to $100,000 into new properties so as to properly test out their possibilities. To be ranked as a millionaire in his own right at 38 is one indication that his idea is a good one.

Apart from his immediate business connections and the Eglinton Hunt Club (of which he is M.F.H.) Rubert Bain is not widely known, although

H. R. BAIN

the name of his firm is known to hundreds of thousands of Canadians whose daily life rises and falls with the ups and downs of the mining market. Until recently he has taken little interest in affairs outside mining finance, but he is gradually widening his horizons as evidenced by this new acquisition of the organization which graces one of the finest buildings on Toronto's tree-lined University Avenue.

And incidentally this new contact will be an interesting one for the life insurance business. For with one or two exceptions life insurance in Canada has had little or no contact with the rapidly growing newcomer—Canadian mining. The impact of this new association will be watched with very wide interest both in the Dominion and in other countries where the name and fame of Canadian life insurance companies is so widely and favorably known.

East Malartic Makes Progress

New Report Is Issued on Shaft Work — Diamond Drilling

From Our Own Correspondent

MONTREAL. — Raising has been started in No. 1 shaft on the 178 east vein of East Malartic Mine, according to a progress report issued by J. P. Norrie, for the period from Des. 1 to 15.

The raise, the report goes on to say, was advanced 16.5 feet in mineralized quartz and porphyry wider than the raise assaying $24.31 per ton. The present face of the raise is in high-grade ore. On the 325-foot level this vein has been extended by drifting for 120 feet with the east face in ore above average grade.

In the No. 2 shaft the vein in 2-2 west drift has been extended for 26.5 feet in ore wider than the drift assaying $6.50 per ton.

Four diamond drill holes were drilled from the drifts in No. 2 shaft. Many important ore sections were encountered, the most important being a 12.3 foot section north of 2-2 east drift on the 325-foot level assaying $4.55 per ton after eliminating coarse gold.

High Values on 250 ft. Obtained by Packsack

From Our Own Correspondent

WINNIPEG. — Underground development at Packsack Mines is giving some interesting results. The last report which covers 25 ft. of drifting on the east drift of the 250-ft. level shows free gold visible following every round, and the six assays taken over the 25 ft. in length give an average value of $161.50 over 2.1 ft. for the drift length of 25 feet. Work is being pushed under the direction of Llewelyn Chamberlin to extend the drift and gain a better idea as to its length.

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Staking in Kenora Augurs Boom Year

From Our Own Correspondent

KENORA, Ont.—J. D. C. Smith, mining recorder here, reports the recording of almost twice as many claims in the Kenora mining division as the previous record year, 1934, when the total was 933. In 1936 the total was 1,773 against 874 during 1935.

The figures indicate an active season in Lake of the Woods next summer when prospectors return to their claims. Rushes have been evident in several sectors of the division during 1936 and large totals were recorded from Rowan Lake, 50 miles southeast of here; Shoal Lake, 30 miles southwest; Split Lake and Vermilion Lake sectors of the Sioux Lookout area, 150 miles east; Manitou, 100 miles southeast; between Kenricia and Brae Breest Mines, from five to ten miles west of here. At year-end the most intense staking was at Rowan Lake, where, up to date, well in excess of 300 claims have been recorded, while probably double that number have been staked.

Hammell Interests Take Over Old Picard Mine

KENORA, Ont.—John E. Hammell interests are sponsoring organization of a new mining company, Val D'Or Holdings, to sink a shaft this winter on the old Picard mine at Woman Lake, southeast of J. M. Consolidated.

Val D'Or Mineral Holdings has completed a programme of diamond drilling that gave such encouragement that a mining plant has been ordered and a contract arranged to deliver it to the property as quickly as possible. Val D'Or Mineral Holdings is continuing the programme of surface sampling and intermittent diamond drilling on the Starratt-Cook-Olson group of claims adjoining Madsen Red Lake, held under option. Some success has been won in getting commercial widths and values, but difficulty is being had in getting commercial length to veins.

Sullivan Cons. Mines Reports Larger Output

From Our Own Correspondent

MONTREAL.—Sullivan Consolidated Mines reports production of gold bullion in 1936 of $629,017. This contrasts with $470,097 in the previous year.

For the last quarter of 1936, shipments to the mint totalled $184,032 as against $157,700 for the third quarter.

Quebec Gold Mining Corp.—announces that it has abandoned its option on the North Whitney Mines in the Porcupine district. The company optioned 2,250,000 shares of North Whitney. The Financial Post is reliably informed that, at the time the option was dropped, some 80,000 shares of North Whitney had been taken up by Quebec Gold Mining Corp.

IN NEW ROLE

When Robert Fennell assumed the vice-presidency of the National Life Assurance Co. last week another chapter was added to the story of the "local boy" who went north, came back home, and "made good."

It is a story that goes hand in hand with Canadian mining, for the thing that really distinguishes Robert Fennell, K.C., from most of his brothers-in-the-law is the fact that Mr. Fennell in the early days hitched his wagon to the bright star of Canadian mining—and kept his seat.

For, when you stop to think of it, it's difficult to start a mining company or wind your way through the intricate maze of mining finance without a lawyer. And many years ago, when Jack Hammell was a grubstaker and Bob Fennell an able young lawyer, these two met and decided to work together.

They have worked together ever since, which is one reason why "Bob" Fennell at 46 is able to play an important part in the purchase of a leading life insurance company—able to look at such a purchase as a "long-term" investment and to plan objectively the steps that may best be taken for the company's future without concern for any immediate return for himself.

Born in Toronto in 1891, Robert Fennell followed the routine of a Varsity and Osgoode Hall education taken by so many thousands before and since. The important difference is that just before the war he struck out for a law office in Haileybury and there got his first taste of Canadian mining. On returning from the war he was called to the bar and continued his training with Alex Fasken (of Dome and Nipissing). In 1920 he set up business for himself, the present name of the firm being Fennell, Porter & Davis.

Apart from directorships on Jack Hammell's Pickle Crow and N.A.M.E., Mr. Fennell is on the board of Toronto Carpet Co., its subsidiary Barrymore Cloth, and the Royal Alexandra Theatre.

East Malartic Mines Sells Optioned Stock

From Our Own Correspondent

MONTREAL. — East Malartic Mines announces that 55,000 additional shares have been taken up under the option agreement, of which number 44,754 were sold at 60 cents a share and 10,246 at 80 cents a share. The number of shares outstanding now totals 1,660,246, in addition to which one million shares are in escrow and 239,754 remain under option in the 80-cent block.

Mining Enquiries

Lake Maron

Some time ago I was advised by a friend to buy stock of Lake Maron Gold Mines. I didn't act on this advice, but am wondering, now that I have some surplus funds for speculating, what the position of this company is.

Shareholders of Lake Maron, and of Algoma Mining & Finance Corp., Greater Canada Mines Corp., and Langmuir Long Lac Gold Mines have approved the merger of these companies under the name of Maralgo. Consolidated assets of the four companies are now capitalized at three million shares of $1 par value and each of the constituent companies will receive shares in Maralgo according to the value of the assets and property contributed. The merger was effected with a view to linking the property under one control in which advantages are believed to lie in lower administrative and development costs, and also from a mining standpoint.

The strengthened financial position of the Maralgo Co., with cash of approximately $175,000 and securities said to have an approximate market value of $245,000, would indicate that development of the properties can now be carried out on a more economical basis.

Wendigo

I noticed recently in your paper a recovery figure for Wendigo's third quarter. Could you inform me as to the prospects for grade below the 500-ft. level?

We cannot give you any indication of the probable ore recovery from below the 500-ft. level of Wendigo because no drilling has been done below this and it is impossible to estimate ore reserves below that horizon.

Officials claim, however, that the 500-ft. level itself shows an improvement in gold deposition compared with the upper levels and that there is a length of 470 ft. which approximates an average gold value of $20 over a 40-inch width. Development is being carried on and in view of the fact that mineralization has improved with depth, and the 500 itself is an improvement in this respect over other levels, it seems reasonable to expect that drifting gold values will be maintained when drilling and other exploration is carried out below the 500.

We do not think you can accept the third quarter figures of ore results and milling as an accurate gauge to the outlook. The mill was changed over and part of the mill clean-up was included in the third quarter figures. We understand, unofficially, that production should now run between $20,000 and $25,000 monthly but naturally this figure is subject to wide change in the event of developments below the 500-ft. level opening up new bodies of ore averaging $20 or over to the ton.

Skookum Gold Mines

I would appreciate your usual concise report on Skookum Gold, including your estimate of this property's prospects.

The property of Skookum Gold Mines Limited is located in the Red Lake district and consists of 320 acres owned outright, equipped with a mining plant. Diamond drilling has been carried out on the property, preparatory to shaft making, at last reports. The company has also leased 80 acres in the Gowganda district.

Capitalization is four million shares of $1 par value common stock of which 2,820,818 shares are outstanding as at Sept. 1, 1936. A total of 1.5 million shares were issued for the property and pooled until Jan. 1, 1937. Also, 2,000,500 shares were optioned to Prospectors Investments Limited until April 1, 1942. The shares were offered in 1936 by Prospectors Investments Limited at 39 to 41 cents.

It is difficult to estimate the prospects for the company at the present stage of development of its property, but until more complete information is available regarding ore reserves, values and production possibilities at a profit, the shares necessarily remain in the speculative class.

Malartic Goldfields

I have seen a reference to Malartic Goldfields Ltd., but have been unable to obtain any details on the company or properties. Could you oblige?

We have made enquiries regarding this company, the address of which is in care of F. G. Bush, 1253 McGill College Avenue, Montreal.

Our information is that the operation is one being carried on more or less privately by Nesbitt, Thomson & Co. and that it is the intention of this firm to spend about $60,000 or $70,000 in proving the property, and, if prospects are favorable, to make a public offering of stock.

The company has an authorized capital of four million shares of which about 300,000 shares are in the nature of a floating supply and are being traded in the over-the-counter markets at around 38 to 42 cents. Development work on the company's property to date consists of trenching, drilling and prospecting work.

Properties are 60 claims of about 3,200 acres, of which 40 claims are in Fournier Township, 16 in Dubuisson Township and four in Malartic.

Smelters' Future

In Many Respects, 1936 Best in History—Outlook Bright

In volume, Consolidated Mining and Smelting Co. last year produced more lead, zinc, copper and silver than ever before in the company's history.

It produced more gold than it has produced since 1917.

For its lead, it obtained the best price since 1929, taking the average for the year. For its copper, on the same basis, it received the best price since 1930.

Combining volume and price, it is apparent that Consolidated Smelters, one of the largest mining companies in Canada, has just concluded its best year since 1929.

In terms of the new capitalization, Smelters in 1935 earned the equivalent of $1.32 per share, and paid the equivalent of $1.30 per share. In its peak year 1926, Smelters earned $23.67 per share, equivalent to $4.53 on the new $5 par stock.

In that year, the gross production of this company, taking average prices for the metals produced, had a value of around $25 millions. In 1936, on the same basis, the gross value of output would be worth in the neighborhood of $28 millions.

Experience has taught the foolishness of attempting a per share estimate of this company's earnings, because of the impossibility of forecasting such expense items as taxation and exploration costs. It is obvious, however, that the $1.32 per share earned in 1935 will be greatly exceeded when the 1936 report appears some time in April. Dividends and extras paid on the new $5 par stock in 1936 totalled $2 per share, so that one would be fairly safe in placing 1936 earnings at around $2.50 per share, inasmuch as Smelter's dividend payments have in the past run fairly parallel and close to earnings per share.

Production Comparison

The following table shows the comparative production record for 1935 and 1936. In estimating gross value, the average monthly price for the year has been taken. The value figures are therefore only approximate.

Two-year Record

	Output lb.	Aver. price per lb.*	Gross Value† $
Lead			
1935	328,636,000	3.2c.	10,517,056
1936	365,062,000	3.8c.	13,893,116
Increase	36,424,000		3,376,060
Zinc			
1935	239,680,000	3.2c.	7,669,760
1936	251,388,000	3.3c.	8,295,804
Increase	11,708,000		626,044
Copper			
1935	636,000	7.8c.	49,769
1936	866,000	9.5c.	82,270
Increase	226,000		32,506

*Average monthly price.
†Based on average price per year.

It should also be borne in mind that the above figures represent production and not necessarily sales. Over a period of years, however, metals on hand have been approximately the same, indicating that sales are keeping very close to production.

Important items in Smelters production are gold and silver. In 1936, Smelters produced 69,330 oz. of gold or approximately $2.4 millions worth. This compares with a 1935 production of 65,131 oz., or approximately $2.2 millions worth. Silver, while higher in volume at 8,615,795 oz. in 1936, was worth much less than in 1935, owing to the decline in price.

"One Cent Equals $3.6 Millions"

It is probably true that the full effect of recovery has not yet been felt by the two major products of Smelters, lead and zinc. Copper has had a degree of recovery which has not been reflected in these two metals. Copper, however, is a comparatively small item in Smelters production. Toward the last of 1936, lead and zinc made rapid strides in price, and it appears likely that the average price for 1937 in these two metals will be higher than that of 1936. tI is interesting to note, incidentally, that an increase of one cent per pound in the price of, say, lead, would mean on the basis of 1936 output shown above, an extra $3.6 millions to Smelters gross income.

In this regard, it has frequently been pointed out that Smelters common stock is in a strategic position to reflect any increase in earnings, inasmuch as the company has no bonds or preferred stock outstanding, leaving the common stock free to absorb the net profit. At the present time, Smelters has an authorized capitalization of 4 million shares, par $5, of which 3,258,755 shares are outstanding. Of the outstanding stock, Canadian Pacific Railway owns 1,682,500 shares.

As by-products, the production of cadmium, bismuth and fertilizer is making an increasingly important contribution to the income of this company. Cadmium was first produced in 1928, and in 1935 the output amounted to over half a million pounds. The present price of this metal is around 90 cents per pound. Bismuth, which was first produced in 1931, sells at around $1 per pound, and was produced to the extent of some 6,718 pounds in 1935. It is also understood that Smelters will soon be producing sulphur on a commercial basis.

There are of course, the outside properties of Smelters which are an important real and potential source of income. These are fairly well known to the Canadian public, the most important being the Big Missouri Mine, near Stewart, B.C.; the Athabaska Lake property; the Afton Mine, in Timagami, Ont., known as the New Golden Rose, and the Consolidated Chibougamau property in Quebec.

There are several base metal prospects, such as Coast Copper, which will undoubtedly be reopened if the present trend in base metal prices continues.

Denison Nickel Starts Work

To Sink Shaft to 250-ft. Level Initially

From Our Own Correspondent

SUDBURY.—Development operations are being started at once by Denison Nickel Mines on its property in Denison twp., near the old Worthington mine of the Mond Nickel Co., a short distance west of Sudbury. John R. Rea, president of the company, over the week-end paid a visit to the property, making arrangements for commencement of work.

Plans of the management are to install a mining plant, sink a three-compartment shaft to a depth of 250 ft., and open a level at that depth. An extensive diamond drilling campaign has already been completed, and this work has indicated approximately 741,000 tons of ore, the mining of which, according to official estimate, should produce a profit of $4.50 to $5 per ton of sorted ore.

Recently Denison Nickel Mines reported 500,000 shares of its capital firmly underwritten, and it is understood the company is sufficiently financed for its planned programme.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — Contract has been let by Cariboo Yankee Belle Mining Co. for the driving of 1,000 ft. of crosscut and drift at the company's property nine miles from Keithley. The long crosscut, already piercing the mountain 750 ft., will be continued another 750 ft., and 250 ft. of drifting on the vein will be undertaken. The objective of the crosscut is a vein showing good width and values in a shallow shaft and surface trenching.

* * *

Form Freegold-Yukon Gold

Work preliminary to a definite development programme has commenced at the Brown-Fairclough gold property on Mount Freegold, northeast of Carmacks, Yukon. A private company known as Freegold-Yukon Gold Mines, has been formed in Vancouver to take over the option held by Thomas Bee from the original stakers.

* * *

Power for Bridge River Mountain

Development at Bridge River Mountain mine has reached a stage where power equipment is justified, according to A. J. Gaul, consulting engineer.

* * *

Hedley Mascot's Record

Hedley Mascot production was greater in December than in any previous month, according to directors, although complete figures are not yet available.

* * *

United Empire to Continue

United Empire Gold & Silver Mining Co., Portland Canal, will be reorganized and further efforts will be made to develop the property. President William Dann, at an extraordinary general meeting here, successfully resisted a proposal to wind up the company's affairs.

Winoga Patricia Sinks Shaft by Hand Steel

From Our Own Correspondent

KENORA, Ont.—Shaft sinking by hand-steel is under way at Winoga Patricia Gold Mines, adjoining Pickle Crow immediately to the east, while plans are now in hand to secure an electric mining plant and have it delivered over the winter roads from Savant Lake on the C. N. R. Negotiations are proceeding for securing Hydro energy from Rat Rapids.

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Africa Under Microscope

AFRICAN MANUAL, 1936-37 — Published by Mining and Industrial of Africa Limited, Africa House, Kingsway; London W.C. 2. Price 21 shillings and 23 shillings overseas.

For the 17th year, the publishers of this comprehensive volume analyze, in handy reference form, the resources of Africa.

The volume, which occupies 1,170 pages, really amounts to a cross-section of this continent, mounted and placed under a microscope.

In view of the fact that South Africa is the greatest gold mining country in the world, it is natural that a large section of this volume should be devoted to the mining industry. In this regard it is a masterpiece of completeness and detail. Complete information is given regarding production, taxation, purchases, wages and salaries, dividends and a section devoted to complete analysis of the African mining and industrial companies.

In addition to mining matters, there is a section in the book devoted to matters of general interest such as banking and insurance in Africa, and lengthy section dealing with the South African railways and travel conditions over their extensive system of 13,000 miles.

The volume is copiously interlarded with maps, photographs and diagrams.

To the businessman who might have, or already has, business dealings with this continent, this volume gives an invaluable insight into its business channels, etc. To the student this book should also be of considerable interest.

T. M. Lanthier Joins Firm Of Jos. Barsalou and Co.

MONTREAL.—T. M. Lanthier, for many years associated with the broking business in Montreal, has been admitted to partnership in the newly formed brokerage firm of Jos. Barsalou & Co., members of the Montreal Stock Exchange.

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Another 'Plan' Is Under Way For Albertans

Government Likely To Accept Proposals of Newcomer from Britain

WILL EXPERIMENT

From Our Own Correspondent

EDMONTON.—Events are moving rapidly in Alberta toward an actual experiment with the Social Credit theories of Major C. H. Douglas.

Key man in the experiment will be an Englishman, John Hargrave — if Hargrave's proposals are acceptable to Premier Aberhart and to the Social Credit majority in the legislature.

It is confidently predicted in circles close to the Government that the Hargrave plan will be adopted, though possibly with amendments on a number of points, and legislation to implement it will be brought before the Alberta Legislature next month.

Aberhart's Plan Junked

The gist of the Hargrave plan is known, but pending a full statement from Premier Aberhart and possibly not until legislation is presented to the house, the full extent of the revision of Aberhart policies is not known. It is assumed the Aberhart Credit House Act will be utilized as far as possible as the basis of new legislation, and not scrapped entirely.

The fact that Hargrave's proposals cast discredit on much of the Social Credit planning done by Mr. Aberhart so far is not lost on observers. This difficulty appears to count for little with many Social Crediters whose enthusiasm for a genuine experiment has revived after weeks in which their hopes were at a low ebb.

In effect, Hargrave has come along at a critical juncture, and said: "All is not lost, if you follow my advice." It appears that Mr. Aberhart and most of his followers are prepared to take the chance.

The Hargrave plan includes 11 main points. Chief provision would be the creation and issue of a new medium of exchange — Alberta money. This would not, according to Mr. Aberhart, operate in competition with existing currency, but how such result could be prevented is not explained. Issue of new purchasing power, consumer credits, or social credit, of course, is the basic principle of Douglas theory. Mr. Aberhart has always insisted that his social credits would be non-negotiable. The Hargrave plan requires issue of negotiable credit, or currency.

Real Money or Credit?

The line of division between real money and social credits is one of the most delicate issues raised by the Hargrave plan, as it was with the defunct Aberhart plan of Alberta Credit. Prohibition of the use of Canadian currency in Alberta is suggested in some circles where the Hargrave proposals are under review, as a logical necessity to permit the proposed new medium to circulate. Whether or not Alberta will go that far is for Mr. Aberhart to say. One of the notable weaknesses of his Alberta Credit scheme, from the viewpoint of a Social Crediter, was its lack of any recognizable relation with cash.

Main outlines of the credit house are already provided in Aberhart legislation enacted in the August special session. The new plan would require setting up a network of branches, which Mr. Aberhart intended last fall but which was never proceeded with for undisclosed reasons.

A third provision concerns debts, private and public. The specific proposal in this regard is a matter of controversy among Social Crediters. One of the basic propositions of the theory is that debt must be extinguished. It is indicated in a reliable quarter that moratorium conditions would be needed to cover the early stages of the new system. Afterward liquidation of debt would be assisted through payments of Alberta money.

On this point depends a fourth principle, whether or not acceptance of Alberta money will be made compulsory.

Talk $5 Now

Mr. Aberhart's original election promises of dividends and interest-free loans are included in the new programme now taking shape. For dividends a figure of $5 a month is mentioned, in Alberta money. Since a policy of provincial control of trade with outside points is also involved, the Government is expected to command from time to time large amount of Dominion currency, surpluses of which, if any, could be used to loan to producers, who might also get loans in Alberta money.

The Aberhart "just" price proposition, necessitating a large measure of Government interference in business is also revived in the new plan. The plan is that goods be sold at a discount to the public, the merchants being reimbursed by the Government in Alberta money.

Reduction of taxation would result in the new system, according to claims, but how this would be achieved is a mystery no nearer revelation than it was when Mr. Aberhart first entertained electors with the claim in 1935.

Would Handle Wheat

Distribution of goods under Government direction is another aspect of the plan, requiring creation of state import and export authorities. An example to illustrate this proposition is that the Government would handle Alberta's wheat sales paying the farmers in the new medium of exchange, and selling the wheat to usual markets for cash. The new medium would be applied to the development of natural resources, if the plan is adopted, but details how this will be done are lacking. Admission of outside capital to Alberta has been criticized in some quarters, but an alternative procedure is not revealed. Finally, a Social Credit propaganda bureau would be established.

Other Ministers to Go

Political developments have accompanied the reshaping of the Aberhart Government's economic policies. Rumors of further Cabinet shuffles, coupled with reports that Social Credit ministers and members of moderate view contemplate with growing uneasiness a trend which seems inevitably headed for a clash with the constitution, indicate that Premier Aberhart is unlikely to carry his whole party with him in a new experimental venture. Hargrave obviously does not command complete confidence of all concerned as technical adviser for an economic revolution. Speculation whether a group will drop the Aberhart colors in the near future will end only when the issue is perfectly clarified.

Maynard "In" Again

The incident involving the resignation of C. C. Ross as minister of mines and lands is far from closed.

The next day after N. E. Tanner was elevated to the Cabinet to replace Ross, Hon. Lucien Maynard, minister without portfolio, issued a statement denying he was leader of a left wing group in the Social Credit party. "I recognize and follow one leader, Premier William Aberhart," said Mr. Maynard.

Since it is widely accepted that one aspect of the Aberhart-Ross issue concerned the position and influence of Mr. Maynard, this statement is taken as indicating a renewal of mutual confidence between the minister without portfolio and his premier.

People's League Moves

From Our Own Correspondent

CALGARY. — Organized throughout Alberta and the Peace River district, the People's League is at present receiving selections from branches suggesting representatives to the provisional provincial council which will be established to direct the league until such times as an open convention may be called.

Representatives to the provisional council are selected on a basis of not more than three from each federal constituency. The complete personnel will be announced within a week or ten days.

The Calgary representatives of the three constituencies embracing the city (Bow River, Calgary East and West ridings) were announced recently. The slate includes men of every political leaning and such well-known figures as John L. McFarland, former head of the Canadian Wheat Board, along with farmers, ranchers, professional and businessmen.

GLASS IN NEW ROLE

Two years ago few would have predicted that glass, generally regarded as brittle and breakable, would ever serve as chief building material for a gas and oil service station. Yet here it is in Minneapolis and this year may see its appearance in Canada. With a service station on nearly every prominent corner nowadays, something more than orthodox construction must be carried out in order to attract the motorist. In this case the new glass bricks have been used with particularly striking effect when lit up from the inside at night.

Albertans Know Little of New "Brain Truster"

From Our Own Correspondent

EDMONTON.—Who is John Hargrave? While the name of Hargrave is linked in the news with major developments taking place in Alberta, to the general public he remains for the time a rather mysterious personality. Known as the leader of the British Social Credit party, or the Green Shirts, he is said to be an advertising executive in London, England. A commercial artist and cartoonist in earlier years, he has written one or two novels. He has not written on the technical aspects of Social Credit. During the war he saw serivce in Egypt and Gallipoli.

Once Rejected

Last March Hargrave cabled Premier Aberhart offering to "put Magor out and put Social Credit in." This referred to R. J. Magor, Montreal, then financial adviser to the Social Credit Government. The offer was rejected by Mr. Aberhart.

During October last, R. Halliday Thompson, a member of Hargrave's party, visited Alberta. His calling cards described him as "ambassador-at-large of the British Social Credit party." On Nov. 16, Thompson left Edmonton announcing he would report on the Alberta situation to his British headquarters. He had offered his services to the Aberhart Government, but his departing statement said: "The Alberta Government has not found any place where they are willing to use my services."

In eastern Canada, Thompson saw Hargrave, it is reported, giving him his impressions of the Aberhart experiment. Discussions in the east, involving several individuals interested in Social Credit, saw the drafting of the 11-point Hargrave plan.

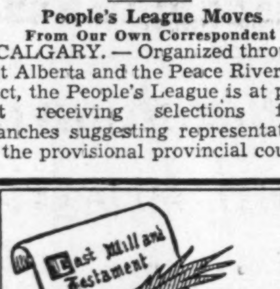
Arrived as Observer

Arriving in Edmonton, Hargrave announced he was present in the capacity of observer, that he would survey the situation and probably write a book on it. It is known Premier Aberhart got in touch with him, just prior to leaving for a Christmas vacation at Vancouver, and asked him to assist a committee then appointed to consider plans for Social Credit.

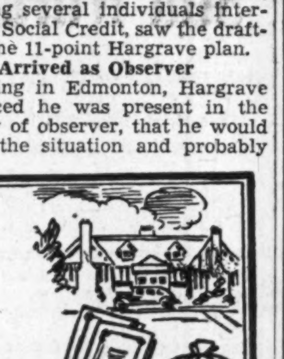
In this way, an unexpected opportunity opened to Hargrave to play a rôle in Alberta affairs which had been denied Thompson and refused, nearly a year before, by Major Douglas himself.

In a statement, Hargrave said: "I have no doubt whatever that it (Social Credit) could be operated successfully in Alberta. You should cut away that (bank debt) burden and make your home market effective by the issue of Alberta debt-free money. There is no real difficulty in doing this. All it requires is technical knowledge, plus courage."

Since the news of the Hargrave plan has circulated, Douglas has expressed, from London, sharp disagreement with it. Both Aberhart and Hargrave hit back at Douglas. Said Hargrave: "I am afraid Major Douglas does not quite understand the situation." Mr. Aberhart describes Hargrave as a man "who is efficiently and capably rendering every assistance in this great experiment."



Your Will and Your Estate



Creating a Trust

Creating a trust by will overcomes many problems and risks involved in the passing of an estate to dependents. It may be created to meet almost any special set of circumstances, but among other advantages it can effect important savings in succession duties, ensure a reasonable income for dependents and conserve an estate's assets to a greater extent than is possible by outright inheritance under circumstances that might otherwise cause early dissipation of the estate.

Trusts are not always necessary, but they may be used to advantage in cases where the testator desires, for example, to leave an income to a relative, friend or dependent for life, the principal to be distributed to other beneficiaries on the death of the trust beneficiary.

Or, the testator may create a trust to ensure the complete education of his children; to establish an endowment or for any of hundreds of purposes requiring a reasonably assured income rather than distribution of capital.

For the average businessman, a trust created by will offers one advantage that can be measured in terms of dollars and cents.

It enables the income of an estate to pass to the benefit of a widow during her lifetime and on her death to pass to the children under the terms of a single will on which succession duty is payable only once. Without the trust, duty will be collected twice; once at the death of the testator and again on the death of the widow.

Saving Succession Duty

Since Ontario's succession duty laws are similar in principle to those of other Canadian provinces, an example of the operation of a trust in Ontario provides the clearest conception of the general purposes of trusts for succession duty savings. If, for example, a man dies in Ontario, leaving a wife, aged 60, and three children to inherit an estate of $180,000, he may have created a trust leaving the full benefit of the estate to his widow during the latter's lifetime with provision that the children shall receive the capital in equal shares on the death of their mother.

Under the terms of a will leaving all his estate outright to his widow, the testator incurs a succession duty tax of $18,423, including surtax.

On the death of the widow, and assuming that the capital has remained intact, the widow may bequeath the estate to the children in three equal shares of $60,000, and again duty is payable to an amount of $15,525 including surtax. Two wills were needed to effect the final distribution and the maximum of duty has been paid on each bequest, to a total of $33,948.

Saving in Cash

Had the same final distribution been made by the terms of the father's will succession duties would have been less than half, or $14,904. In a will of this kind the trust feature is worth actual cash to the testator and his dependents. It requires only that he direct his capital to be held by a trustee to pay the income to his wife for her lifetime and to be divided equally among his children at her death. If necessary, power may be given to the trustee to encroach on capital in the event of emergencies, and if this provision is made the widow receives in effect the full benefit of outright ownership with the additional protection of the advice of a trustee. In this connection, trust companies again offer advantages not usually combined within the human limitations of an individual.

The saving in the example noted above results of course from the fact that no duty is payable at the widow's death and a smaller amount of surtax is involved. By the same method of creating a trust an estate of $51,000 left in trust may effect a saving of $2,381; a $105,000 estate means a saving of $8,054 and an estate of $450,000 means a saving in succession duty of $63,846.

A Trust is Flexible

Merely to employ a trust for saving of succession duty is to overlook its main purpose, however. It is a practical method of conserving assets and meeting the requirements of beneficiaries from income. Trustees have had long and unpleasant experience with trusts which have not been practical because they were not given enough elasticity to meet unforeseen requirements. They must be created in a manner to protect both the estate and beneficiaries and at the same time to avoid restrictions that may cause financial hardship. Power to encroach on capital may range, for example, from provision for ordinary living needs to provision for purchase of a new and more suitable home depending on necessities of size and location.

A trust, in short, is the instrument of flexibility with which a trustee may meet new conditions as they arise without deviating from the testator's own intentions with respect to the best interests of beneficiaries. It is equally suited to large and small estates, in a form modified to meet both. It may continue as long as the estate will permit or until children have received their education. It is probably the nearest approach to a will that can be revised after death. In the lifetime of the testator it can be revised to meet changing conditions from time to time but, as one trust company executive notes in a treatise on the subject, trusts originated with the Romans, were highly developed in England and have survived because they are adaptable to practically every circumstance and enable the testator to control his estate in any contingency.

Remarriage of Widow

One of the most important results of the development of trusts is the method evolved for dealing with the possible remarriage of the widow, in cases where children of the testator are concerned. The whole field of widows' remarriage is now dealt with in a more practical than sentimental way, and one result of this modern attitude is that the husband may regard his marriage as a form of partnership in which the surviving partner is entitled to the estate without restriction.

On the other hand, where children are concerned, and where there is no selfish motive of preventing the widow's remarriage, the testator may feel that the widow will be provided for as a result of remarriage, and that consequently the main purpose in arranging a trust to meet such circumstances would be to provide for the welfare of the children. A compromise may be made in which the estate becomes a life interest of the widow, but with the proviso that in the event of remarriage only a portion of the estate is applicable to her needs, with the balance held in trust for the benefit of the children.

Trusts, unlike wills, are not static. They provide the balance wheel in disposing and administering an estate in cases where they include discretionary powers on the part of the trustee. Essential therefore is the wise choice of a trustee, either a trusted lawyer, competent business friend, relative or the all-round, never-ceasing vigilance and experience of a trust company.

British Plate Glass Cartel Exposed By Motor Makers

Startling facts about the international glass cartel which is causing concern to Canadian automobile manufacturers were disclosed before a recent Tariff Board hearing at Ottawa.

According to information submitted by J. L. Stewart, general manager of the Canadian Automobile Chamber of Commerce, Canadian companies are satisfied "that the free purchase of U.K. plate glass for Canada is not only uninfluenced by the Canadian tariff but that it is subject to an artificial control which overrides and nullifies the provisions of free entry as provided in items 320 and 321."

Pilkington Sole Producer

"We are unable to avoid the conclusion," says Mr. Stewart, "that the sole producer of plate glass within the Empire (Pilkington Bros. of St. Helens, Lancashire) is either unable or unwilling to supply the normal automobile glass requirements of the Canadian market and what glass he does supply to this market is sold at a price 7% higher than glass of a similar quality of European origin. This in spite of the fact that European plate glass surmounts a tariff barrier of 25% ad valorem and 3% excise tax whereas U.K. plate glass up to 25 sq. ft. in area enters Canada duty free and tax free."

Apparently when a Canadian automobile manufacturer places an order for glass with the English producer he is told that only one-third of it can be handled there but that the balance can be placed in Belgium and elsewhere. The final price is found to be 7½% higher than the price of duty-charged glass from the continent.

Great-West Gain Is $2 Millions

A gain of over $2 millions in new business is reported for 1936 by Great-West Life Assurance Co.

The improvement is reported general throughout the company's agencies in Canada and the United States and with over two-thirds of the agencies reporting individual increases.

The company's Winnipeg agency under Manager C. F. Dunfee led the company while Louis White, of Toronto, was the leading individual producer for Canada.

Obituaries

Lincoln L. Smith, president of Ship Chandlers McQuade Ltd., Victoria, B.C. He was prominent in both eastern and western Canadian shipping circles. He was 71.

* * *

Thomas V. Bell, president and general manager of Thomas V. Bell Ltd., stationery firm founded in Montreal in 1829 by Robert Graham, and known as Morton Phillips & Co., until Mr. Bell acquired control in 1919.

* * *

Frederick G. Sharpe, executive of Willis & Co., Montreal piano company, and widely known in Montreal business circles for more than 50 years.

* * *

W. H. Thomson, official of the superintendent's department, Imperial Bank of Canada at Winnipeg and Portage la Prairie. He died in his 68th year, in Jacksonville, Florida, during a motor tour of the southern United States following his retirement from the bank.

Convert Borden Co. Ltd. Into Private Company

The Borden Co. Ltd., major Canadian subsidiary of Borden Co., American dairy products firm, has been converted from a public to a private company under supplementary letters patent issued by the Secretary of State, Ottawa.

The Canadian subsidiary's operations are centred at Toronto in City Dairy Co.

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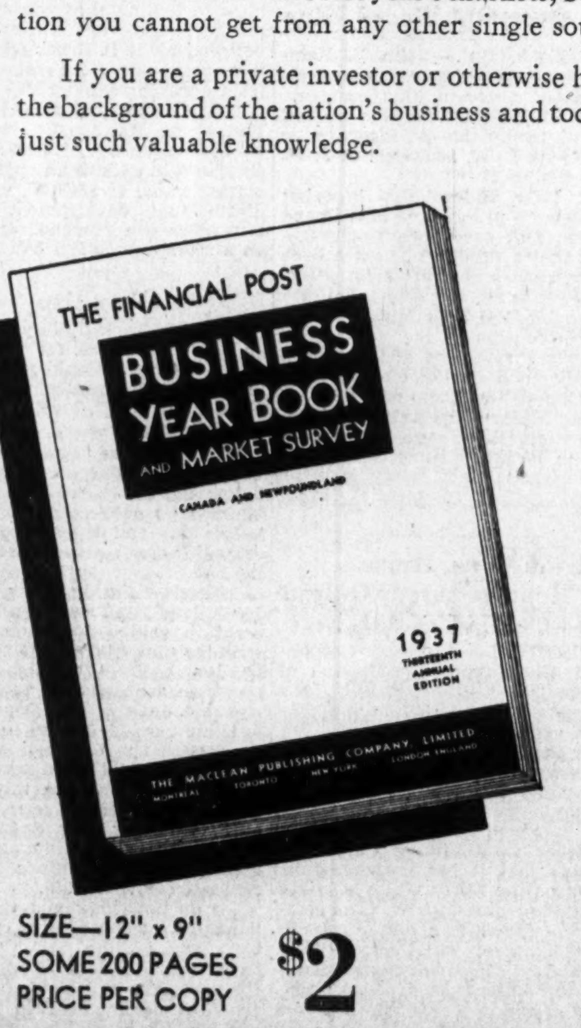

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The Nation's Business

Baxter's Article Reprinted

Sir John Aird on Problems of Western Canada

Arthur Meighen on Functions of Senate

Who Owns Canada's Chartered Banks?

Lord Nuffield's Gifts Would Be Taxed in Canada

Why Edward Quit: Story Republished

ON THE front page of the second section of this issue The Financial Post publishes Beverley Baxter's inside story of the abdication of Edward VIII.

A striking and unusual circumstance has led to The Post's determination to publish this article. It was originally cabled to Maclean's Magazine, a sister publication of The Post, for its Jan. 15 issue. Hardly was that issue on the news stands, a week ago, than it was completely sold out. Wires began to pour in from all over Canada for extra copies. It was impossible to satisfy all of these demands. A premium was offered by many for copies containing the article.

To enable the article to be read by many thousands of disappointed Canadians The Financial Post is publishing it in full in this issue. Twenty thousand additional copies of this issue are being placed on the news stands for sale.

The incident demonstrates how deeply Canadians have been touched by the drama of December in London. In its issue of Dec. 19 The Financial Post published a special cable revealing many facts about the abdication that had been overlooked; particularly concerning the embarrassment that had been caused to the British Government by Edward's actual and threatened interference in foreign policy. Mr. Baxter's article supplements The Post's own account of the abdication and helps to round out the picture of the world's most important news story since the War.

• • •

Sir John Aird Speaks For West

SIR JOHN AIRD, in addressing the annual meeting of the Canadian Bank of Commerce, touched on a vital point when he stated that the problems of Western Canada are not as well understood as they should be.

Eastern Canada, in common with the West, has faced serious problems throughout the depression, but in comparison with those of the West they have been small indeed. The difficulty, however, is that few people seem to realize this.

If this country is to prosper and be united, then its citizens must take a broad national viewpoint. If such a viewpoint existed at the present time, then public opinion would force the Federal Government to take much needed action in assisting the Prairie Provinces out of their present financial difficulties by sponsoring a refunding of their debts.

• • •

ADVOCATING further measures for the restoration of agricultural purchasing power in the West, Sir John endorsed the proposal that affairs of the Prairie Provinces undergo a thorough examination by a Royal Commission with a view to their speedy recovery. In this connection he points out that the prairie grain growers have had grievances in the past in the obvious disadvantage of selling their products at world prices, sometimes at ruinously low figures, and of buying their requirements in a highly protected domestic market.

The Financial Post recognizes that such problems exist and has supported the Western plea for a further study of the economic basis of confederation. More important at the moment, however, is a study of the financial basis of confederation. The need for a complete survey of the allocation of taxation powers and social and financial responsibilities as between the Dominion, the provinces and the municipalities cannot be denied.

One great need, it will probably be revealed, is greater centralization of social welfare expenditure such as old-age pensions and unemployment relief.

• • •

Mr. Meighen On the Senate

THERE have been plenty of newspaper editorials and election speeches about the Senate in Canada. But of serious, reflective literature on the Senate's work and responsibilities there is a great scarcity. This fact lends very great interest and significance to the recent address before the Canadian Club of Montreal, delivered by Rt. Hon. Arthur Meighen. The Financial Post has obtained a report of this address, which has been revised by Senator Meighen, and publishes it in this issue, complete except for a brief introductory paragraph not germane to the subject.

Senator Meighen has had the unique distinction of occupying four key posts in the public administration of Canada. He has been prime minister and leader of the majority in the House of Commons; leader of the opposition in that body; leader of the government forces in the

(Continued on page 2, col. 3)

Buyers Concerned As Newsprint Sales Diminish Supplies

Reported Willing To Pay More if 1938 Price Is Pegged

A. N. P. A. CONSOLES

From Our Own Correspondent

MONTREAL.—Upward revision of the contract price of $42.50 a ton on newsprint delivered at the base points of New York and Chicago for the American market, is a near-term prospect.

Several large American newspaper publishers are understood to have approached Canadian newsprint manufacturers with an offer to tear up the present contract and write new ones at higher prices provided that the manufacturers will agree to a pegged price on deliveries in 1938.

One large consumer of newsprint is said to have offered $60 a ton for the balance of this year, provided that the same rate applies for 1938. This was turned down.

Showing Signs of Panic

At the same time it is stated that the Newsprint Committee of the American Newspaper Publishers Association is becoming concerned over the prospect of newsprint shortage and a sharp upturn in prices. The committee also is said to favor a revision of contracts so as to keep the price as low as possible over the next year or two.

Enquiries among Canadian manufacturers do not bring confirmation of these reports. Nor are they denied.

Canadian operators believe they will control the price situation before long and there is no intention of making concessions. Many of them have very definite ideas of what the price of newsprint should be and such ideas are more expansive than those entertained by the American publishers.

Price Problem Growing

The newsprint price question is rapidly coming to a head. Last fall the Canadian operators felt that they were justified in seeking a higher price due to the increased cost of manufacturing, and also to the fact that for several years they had been selling their paper on a starvation basis, while the trend of consumption was definitely upward.

It had been their hope and expectation that deliveries to the American market in 1937 would be on a $44 a ton basis.

Maybe a Bad Turn

This hope was shattered when Great Northern Paper, an American producer, arbitrarily set the price at $42.50 a ton. This price had to be followed by Canadian companies owing to inter-locking contracts in force within the newsprint industry, whereby the price set by any mill with a 100,000 tons annual capacity sets the price for other mills.

This move by Great Northern was lauded by American publishers, but

(Continued on page 2, col. 1)

Freighters Ready For Busy Season

30 Planes Now Operating from Kenora, Hudson, Sioux Lookout

From Our Own Correspondent

KENORA, Ont.—After experiencing the busiest year on record during 1936, transportation companies servicing the mining areas of Red, Woman, Casummit and Pickle Lakes areas are now preparing for even a more active 1937.

During 1936 24,000 tons freight was moved from Hudson into Patricia district mines. 20,000 tons went by boat, the remainder by tractor and plane. Approximately 50% went to Red Lake and the remainder to mines at Pickle, Woman and Casummit Lakes. Some also went to power developments at Ear Falls and Rat Rapids and to the highway construction job from Doghole Bay to Pickle Crow Mine.

Transportation companies anticipate the busiest season ever. A new company, Hennessy Airlines, with three planes, has been organized to operate from Hudson and Sioux Lookout due to the great demand for facilities. Other air companies are expanding their fleets in this district and more planes than ever before—over 30—are to be operating from Kenora, Hudson, Sioux Lookout, Savant Lake and Collins.

Algoma Steel Gets Big Order

From Our Own Correspondent

MONTREAL. — Algoma Steel Corp. has received an order for 20,000 tons of rails from the Canadian Pacific Railway. It is understood that this contract was placed with the company around the middle of last month, or about the same time that a smaller order was given to Dosco.

Operations of Algoma have undergone a material improvement and with this latest order from the C.P.R. it is expected that income for the year ended April 30 will be the largest reported in several years.

Bridge Firms To Share Job At Vancouver

Dominion and Hamilton Bridge To Get First Narrows Work

BY STAFF WRITER

OTTAWA.—It is understood on reliable authority that the contract for the superstructure of the first narrows bridge at Vancouver will be divided equally between Dominion Bridge Co. and the Hamilton Bridge Co. subsidiary, Western Bridge Co., Vancouver.

The superstructure is expected to involve expenditures of some $4 millions.

Cameron Construction Co., Vancouver, has the contract for foundations.

Firms Well Equipped

Both Dominion Bridge and Hamilton Bridge plants at Vancouver are well equipped to handle the work on the huge superstructure. In 1930, Dominion Bridge spent nearly $1 million on extensions and improvements to its Vancouver plant which has recently been engaged on construction of the bridge across the Fraser River at New Westminster, bordering Vancouver. Hamilton Bridge Co. in 1935 made substantial expenditures on modernization of the plant of its subsidiary, Western Bridge Co., at Vancouver.

The first narrows bridge is to have a centre span of some 1,500 feet, with a minimum clearance of about 190 feet at high tide. It will span the entrance to Vancouver harbor, connecting Vancouver by road through Stanley Park with the north shore. The bridge is being constructed by private English capital. The syndicate, headed by Lord Southborough, has also developed residential estates on the north shore at great expense. The bridge is a major feature of the whole development which is estimated to involve investment of over $12 millions.

Can. General Investments Earns 55 Cents a Share

Earnings of Canadian General Investments Ltd. in 1936 are understood to have been approximately 55 cents a share compared with dividend payments for the year of 45 cents a share. This compares with earnings of 46 cents a share in 1935 on the 600,589 common shares outstanding.

The annual dividend rate on the stock is now 50 cents a share.

In addition to increased income, it is understood that the investment trust had an appreciation of more than 35% in the value of its holdings in 1936. This is the largest percentage increase recorded in the period of recovery from depression. The appreciation in the total portfolio was 17.7% in 1935, 25.4% in 1934 and 24% in 1933.

An increase of over 35% in value of investments raises the break-up value per share above $14, compared with a break-up value of $10.55 a share at the close of 1935. The shares have been quoted recently around $11.

Pogue Results, if Any, Still Guarded Secret

John E. Hammell, who has been financing experiments with the "Pogue" carbureter, returned to Toronto this week after a year-end holiday. He refused to be quoted as to the progress or otherwise of laboratory experiments now going on, nor would he discuss rumors that he is much less enthusiastic about the invention of Charles Nelson Pogue than formerly.

It is learned that experimental work is still proceeding in an endeavor to demonstrate whether or not the Pogue carbureter, which is said to have given surprising results in secret laboratory tests, can duplicate those results if used commercially. No evidence of results under normal operating conditions has been forthcoming.

Locale of the experimentation has been changed from Mr. Hammell's Oakville estate to another point. The tests are under the direction of engineers nominated by Mr. Hammell and no results concerning them are being published. Sponsors of the work have apparently not been influenced by the plea of United States automotive editors that the carbureter should be given independent tests in public or the similar plea of the Ontario Research Foundation that experiments involving the possibility of important commercial and social changes ought to be conducted publicly by independent research scientists.

Highlights

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Consolidated Smelting and Mining Co. closes best year since 1929. Outlook is bright. Page 19

Fire Rates Too High?

Downward revision of fire insurance rates on dwellings advocated and central rating bureau suggested. Page 13

What's a Surtax?

Intricate income tax problems discussed. Page 2

Mine Investment

Insurance companies include mining stocks in portfolios. Page 18

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Ham. Bridge Shows Profit

Will Be First in Five Years — Business Believed Up 50%

After four years of continuous, though steadily declining losses, Hamilton Bridge Co., is expected to show a considerable profit, when the report or the year ended Dec. 31 appears. Production is understood to have increased 50% over 1935 with values up slightly more so.

Contrary to the experience of recent years, the bulk of the 1936 business, is believed to be of non-government origin. In other words gains reflects general revival in private industry.

While actual figures will not be available until the company report comes out probably in March to break even in the year just closed Hamilton Bridge would have to have a gain of close to $100,000 in operating revenue over 1935 when a net loss of well over $90,000 before depreciation, was shown. This compared with a loss of nearly $175,000 in 1934. As no depreciation has been provided for since 1931 this item may be expected to cut considerably off any operating profit in 1936.

In 1931, the last year in which the company showed a profit there was a net after depreciation of almost $145,000 and first preferred showed earnings of $6.58 per share and paid $6.50 These 6½% cumulative $100 par value shares of which there are 21,875 outstanding, have been in arrears since Aug., 1932.

Following announcement last July of a 25% increase in business for the first half of the year shares of Hamilton Bridge have been increasingly active, the preferred rising from a low of 25½ in January, 1936, to a high of 65 at the close of the year. They are now quoted above 70.

Policy Clash Seen Behind Fraud Split

Pidgeon Believed to Have Charged Godfrey With Laxity

RESIGNS FROM POST

From a reliable source, The Financial Post learns that behind the resignation of Col. D. F. Pidgeon from the Ontario Securities Commission lie many months of disagreement between Col. Pidgeon on the one hand, and John M. Godfrey, securities commissioner, and some of his staff, on the other.

Col. Pidgeon, who has been chief investigator for the Commission for two years, and who was largely responsible for cleaning up the mining promotion situation in Toronto a year or so ago, is understood to have charged Mr. Godfrey with laxity in dealing with the present situation, described in last week's issue of The Financial Post.

It is understood that although Col. Pidgeon's resignation is not the result of any major individual issue, it is the result of a long series of differences with the commissioner dating back for over a year.

Feeling that a statement would precipitate the matter into a public controversy, with possible political repercussions, Col. Pidgeon has declined to make his position clear.

From reliable sources, however, The Post learns that the prevalency of high-pressure salesmen in Toronto and other Ontario points has caused Col. Pidgeon considerable worry. It is stated that he feels his efforts to clear up this situation have been frustrated by his superiors, not for political reasons, but because, in the belief of Col. Pidgeon, a spirit of laissez faire dominates the commission.

It is known that on at least one occasion, a Toronto broker whose licence had been cancelled as a result of Col. Pidgeon's investigations, had later succeeded in getting reinstated by a direct appeal to the commissioner.

Auto Plants Still Working

Prospects for Shutdown at General Motors Shift Till Month-end

A little optimism has crept into the automobile picture this week as far as Canadian plants are concerned. Wheels are still turning at the General Motors plants and negotiations now under way may, it is thought, provide a ray of hope that ways and means may be found to provide the essential body stampings needed to keep the Canadian lines going.

Meanwhile production is being concentrated on truck lines which can be carried through without difficulty. Some production is still being maintained on passenger cars, though on a restricted schedule.

The essence of the Canadian picture is the time element. If the hold-up continues more or less indefinitely in the United States, then it is considered unlikely that Canadian plants can continue much past the end of the month. Official announcement was made last week by Harry J. Carmichael, general manager of General Motors of Can. that approximately 8,000 men will be thrown out of work at Oshawa, Walkerville and St. Catharines unless the strike can be settled before the end of January.

Fortunately the hold-up is coming at a time when public demand is at a low ebb. If the strikes should be prolonged into February or March, the situation would be much more serious from a sales point of view.

Boost Glass Sales

One unusual feature of the strike is that apparently it has created an unprecedented demand for Canadian glass to meet the needs of U. S. plants. No orders have been placed directly, but the facts seem clear that for the past six or eight weeks a great deal of product ordered by Canadian plants is finding its way not on to Canadian cars but across the border for U. S. consumption.

The labor situation in Canada remains ostensibly quiet. Union organizers planned meetings in Oshawa at the end of last week, but very few workers attended, The Financial Post is informed.

Ontario Income Tax Yields $4.5 Millions

The Ontario Government is disappointed with the 1936 provincial income tax revenue, receipts totalling only $4.5 millions. Against this has to be charged rebates to municipalities amounting to $2.2 millions.

When the budget was brought down last spring the Government estimated that this tax would net it $6 millions of additional revenue. Now it appears that after deducting of the rebates to municipalities, the Government will have less than half this amount left.

The big drawback to greater revenue from this source is stated to be the exemption in the Ontario return of the amount of the federal tax paid. Hon. Harry Nixon, provincial secretary, has denied the suggestion that the Government may remove this exemption.

Tipster Telephone Talk Disclosed by Recording

"I'd like to get acquainted with you."

A Toronto tipster recently telephoned one of the names on his sucker list. This man happened to live in Boston, but geographical space meant nothing. What is a telephone charge of $2.05 for the first three minutes compared with the spread this firm was making by selling mining stocks? So the salesman telephoned the name on his list.

He did not know at the time that the man he was talking to in Boston was a representative of the Boston Better Business Bureau Inc. He would have been more surprised had he known that by means of equipment used by the Bureau for recording radio advertising, an electrical transcription was being made of the conversation.

Verbatim Transcription

The Financial Post is able to reproduce, through the courtesy of the Boston Better Business Bureau, a verbatim transcription of part of the conversation, as follows:

"I'll tell you why I called you, Mr. ——. You know the Cadillac district." "Yes."

"Well, O'Brien Cadillac is up to $13 and Thompson Cadillac is up to about $2.90 you know."

"How much is Thompson Cadillac?"

"$2.90 this morning. Just about a week ago it was 85 cents. Did you follow that?"

"I didn't follow it, no."

"Well, about two weeks ago it was 85 cents and is up to $2.90 this morning, understand?" "Yes."

"Now there's a little property up there, directly north of O'Brien, and Thompson Cadillac, Blankillac is the name of it and I wrote about it in my pamphlet." "Yes."

Up to 40 Cents

"Remember seeing that?" "Yes, I do."

"That was up to 40 cents this morning Mr.——."

"I see."

"Now when I wrote you it was around 28 to 30 and is up to 40 now and every indication points the stock will go to $1.50 within two months."

"Oh!"

"Understand?" "Yes."

"Now Mr.——, I wouldn't have called you this morning unless I knew it to be a fact. I've never done any business with you and I'd like to get acquainted. I'm sure that if I show you somewhat of assurance no doubt you would favor me with some of your business in the future, that's so, isn't it, Mr.——?" "That's true."

"Now I don't know what your expenses are at this time and I'm not going to ask you to buy too heavily. Of course if I knew you well or had been doing business with you previously, I wouldn't hesitate to suggest 10 or 20,000 shares but I don't feel justified in doing so. The market right at the moment is 40 cents and I'm trying to pick it up at 37 cents——."

"What's that?"

"I'm trying to buy this stock at 37 cents, the market is 40. Now if I can get stock at 37 cents, Mr.——, you can manage a few thousand shares easily, couldn't you?"

"Well, I don't know, I'd want to read this stuff over and know more about it."

"Specialist"

"I have been writing to you now for a little better than a month. The stock has moved up in the last few weeks from 28 cents to its present price of 40 cents."

"You mean the present market for this stock is 40 cents and you can buy it for me at 37 cents?——"

"I'm a specialist in the stock Mr. ——, and I may be able to get the stock at its bid price; the bid price is 37 and they are asking 40 for the stock right now. Now if I get this stock at 37 I'd like you to have a few thousand shares, because by hesitating another day or two, you are going to pay a great deal more because I look for the stock to go a little higher by the end of this week. Now at 37 cents if you can manage a few thousand shares, take it on, because, well, a couple thousand shares in a day or two will mean the difference of a hundred dollar bill.

"Well, what do you want me to do? Do you want me to act for you on this stock if I can get it at 37? You don't have to take a few thousand shares of you can't manage it, it will be all right. I don't want you to take too much, Mr.——. I'd like to get acquainted with you.

"If you think you can take some of this stock at 37, not a great deal, say 500 shares, it wouldn't amount to much, $155. If I can get the stock at 37 cents, I'd like to see you have that little bit. Of course you are aware of the fact that you're going to pay four or five or 10 points more for the stock. That's the only difference to me."

"Well, you don't expect it to go up four or five points in the next couple of days do you?"

"Well, I CERTAINLY DO. The Thompson Cadillac you know, last week was 85 cents, 48 hours later it was $1.90 and is up to $2.85 or $2.90 this morning."

Manitoba, Saskatchewan May Cut Bond Interest

Will Ask Bondholders to Take Voluntary Cut Unless Dominion Government Gives Assistance

Unless refunding under a Federal guarantee or some other form of assistance is forthcoming from the Dominion Government in the near future, both Manitoba and Saskatchewan may follow Alberta's action and reduce interest on their bonds.

Faced with the failure of the Dominion Government to evolve a refunding scheme and its refusal to increase subsidies or to assume a greater share of social welfare expenditures such as unemployment relief, the finances of both provinces are rapidly approaching a critical position. Furthermore, as The Financial Post has pointed out on numerous occasions, default psychology is spreading and pressure is being brought to bear on the respective governments to reduce taxation and increase expenditures.

Following failure of the Dominion-Provincial conference in December to grapple with western financial problems, Manitoba, it is now reported, told Federal authorities that unless some assistance is forthcoming the province will be forced to call a meeting of its bondholders and ask for a voluntary reduction in bond interest. Since the bonds are widely held it would be impossible for bondholders to be brought together so that the calling of such a meeting would be little more than a gesture and would probably be followed by arbitrary action.

Against Better Judgment

Neither province desires to take such action, but unless some budget assistance is obtained may be forced into it. Both Governments regard taxation in their respective provinces to be at a breaking point and expenditures to have been reduced to a minimum.

In some instances, in fact, it is claimed that expenditure has been reduced below a reasonable minimum. In Manitoba maintenance of highways has been reduced to a point where capital is being consumed. Unless expenditure is increased it is possible entire highway systems will have to be replaced in the future.

Another factor in the Manitoba situation is that the Government may be forced to repeal its 2% wage tax. A large part of the house is pledged to its repeal and in view of the fact that Premier John Bracken has not a majority such action is regarded by many as inevitable.

Municipalities Ask Aid

In Saskatchewan the Government is faced with a clamoring from the sidelines by the municipalities, especially the cities, for aid. Higher relief expenditures are placing the cities in a quandary. With relief costs removed, their difficulties would be a matter of the past. Furthermore, the situation has been aggravated by Alberta's action in cutting interest rates since a large number of municipal sinking funds hold Alberta bonds. North Battleford holds $90,000 of Alberta bonds, Moose Jaw $465,000 and Saskatoon $600,000.

At the recent Dominion-Provincial conference Manitoba received an emphatic "no" to its request for additional subsidies. For this reason it does not look with much favor upon Saskatchewan's proposal that the two provinces should unite in request for action in this direction.

Ottawa Studying Problem

While no announcement has been made by the Ottawa Government as to its probable course should default become imminent, it is known that Hon. C. A. Dunning, minister of finance, is hopeful that arbitrary action can be prevented. The Government has the matter under consideration and has studied several proposals for refunding of western provincial debts.

Home Loan Total Up to $1 Million

From Our Own Correspondent

OTTAWA. — Approximately $1 million was loaned under the new Dominion Home Improvement Plan up to the middle of December. Under a Federal Government guarantee against 15% of the aggregate losses, chartered banks are offering low cost loans up to $2,000 for each property, to home owners for the purpose of making permanent improvements.

There was some seasonable falling off in the amount of money loaned during the first half of last month and while later reports are not yet complete it is expected that a still further falling off is expected. It was not anticipated that home owners would be generally interested in improvements during the holiday season.

Details regarding the loan figures to Dec. 15 are as follows:

Improvement Loans

	Number	Amount
Nov. 1-15	884	$ 330,000
Nov. 15-30	934	352,000
Dec. 1-15	822	318,000
Total to Dec. 15, 1936	2,640	$1,000,000

Second Claimant Sues Aberhart For Salary

VANCOUVER. — Premier Aberhart is facing a second lawsuit for salary as the result of his British Columbia Social Credit fiasco. Mrs. M. Bower Hopkinson has filed a claim for $500 for salary covering 3½ months' service as recording secretary to the advisory board of the Social Credit party. The first suit was entered in December by J. L. Loveseth for salary as personal secretary to Mr. Aberhart and secretary of the B. C. Social Credit executive.

Ottawa Plans Reflect Desire To End Deficit

No Sensational Bills on Agenda For Coming Session

LAST RELIEF VOTE?

From Our Own Correspondent

OTTAWA.—The second session of the Eighteenth Parliament opens at Ottawa with no indication that the Mackenzie King Government plans sensational legislation or a spectacular "New Deal."

None of the popular remedies of the day are forecast in the agenda of the session. The Government will not seek recovery by currency inflation, nor by regulation of industry, nor by "equation of production and consumption" along the lines of Douglas doctrine.

Nor are there any signs yet of a "Reform Programme" of social legislation. Canada seems farther away from such measures in 1937 than she was in 1935, when Mr. Bennett launched his startling campaign.

In spite of prevalent comment from the left-wing groups that the Liberals had adopted their usual policy of sitting down and waiting for something to turn up, it appears as though the Government will sit tight for a few months at least, clearing trade channels as fast as possible without disrupting domestic industry, paring down the burden of the national debt by sagacious refunding, confining Government expenditures to essentials and hoping that the rising tide of national revenue will permit something like a balanced budget in 1938.

Defense Expenditures

Some concession to those who feel uneasy about an unprotected Canada in the midst of a world bristling with modern armaments will be made by the Government, but there will be no extravagance about it. Canada's defense forces are so inadequate that a few additional airplanes, a couple of destroyers and some expenditures on the land forces will really be in the nature of "window dressing."

There are two objectives very dear to the heart of the cabinet:

1. Balance the budget.
2. Terminate direct relief.

There is still no immediate prospect of ending Federal grants for direct relief purposes, but month by month, as rapidly as conditions warrant, the grants-in-aid will be slashed. The usual relief and unemployment measure will be introduced this year, but if the West is favored with a fairly good harvest in 1937, authorities here believe it will be the last such measure for some time.

The National Employment Commission has prepared for the Government some plans calculated to absorb a considerable number of people into industry or agriculture. Several suggestions have already been put into practice. The main divisions are:

Employment Plans

1. Farm employment and improvement or associated schemes in other primary fields.

2. Housing assistance of various kinds, including the loaning by the state of sums for low-cost industrial housing.

3. A youth employment programme, which involves the expenditure of five to seven million dollars in absorbing the youths from 16 to 25 in forestry, mining, aviation and agriculture.

4. Women's employment plans, including assistance in the extension of training schools for domestics.

The Government has already decided not to spend any money on slum clearance, a problem which is almost entirely confined to two or three of the larger cities.

This negative decision is not due to any lack of sympathy with such a reform, but arises out of the feeling that it is a local problem. The Government has no intention of coming to the rescue of the financial institutions and others who own the delapidated properties and who, in some cases, are quite satisfied to leave things as they are unless or until some Government comes to their rescue.

The present session will not, it is expected, come face to face with what is perhaps a major problem of the present time, namely, the re-writing of some sections of the B.N.A. Act in keeping with 20th century conditions and needs.

Privy Council Decision

The reason the Government will give for not tackling this matter in determined fashion is that the Privy Council is busy rendering its judgment on the respective present powers of provinces and Dominion, and that these rulings must be thoroughly digested before it can be determined what changes are necessary.

The agenda for the session includes legislation to legalize the present ignoring of the gold clause in Canadian bonds.

Legislation to enable Canada to deal with countries whose currency is substantially appreciated is planned, in accordance with an undertaking made in the German trade agreement.

Rail Legislation

There is a possibility of some railway legislation. This includes the recasting of capital structure of the Canadian National Railways and the broadening of the scope of the railway commission.

The major trade [illegible] conclusion and the [illegible] renewal of the Uni[illegible]gdom trade agreement. The budget, it is said, will be built almost wholly around this negotiation.

BLUE SERGE SUITS Fit Into the Picture!

At the office, and at home, there's a place in every man's life for a blue serge suit! Days when you feel like "sprucing up" a little . . . informal evenings when you want to look smart and feel comfortable . . . these are two of the many occasions when a blue serge suit will be a most welcome addition to your wardrobe!

Eaton's splendid selection of all wool botany serge suits, featuring 1937 styles, invite your attention! Sizes from 35 to 46 including special "stouts," "talls," and shorts for men ordinarily hard to fit.

With 2 Pairs Trousers

Suit—$25.00 and $35.00

These suits may be purchased on EATON'S BUDGET PLAN if desired.

MEN'S CLOTHING

Second Floor — James St.

THE T. EATON CO LIMITED

The Nation's Business

(Continued from page 1)

Senate; and leader of the opposition in the Senate.

Both as leader of the Government senators and leader of the opposition senators he has displayed an intelligent understanding of the responsibilities of the Upper Chamber; and an unflagging zeal in spurring the Senate on to a full acceptance of those responsibilities.

His contribution to Canada's literature on the subject of the Senate is of permanent historical and constitutional value and The Financial Post is happy to present it to citizens and students of government in Canada.

* * *

The Chartered Banks: Who Owns Them?

CONCENTRATION of wealth in the hands of a few, either through ownership or control, has been frequently referred to as one of the evils of the capitalistic system. At the annual meeting of the Banque Canadienne Nationale, Beaudry Leman took occasion to mention this matter indirectly by discussing a question which interests all Canadians — Who owns the chartered banks?

As regards the bank which he so ably heads, he said that its 1,455,000 shares are owned by 49,500 shareholders, who have an average holding of less than 30 shares each. Mr. Leman concluded by saying:

"It is therefore obvious that the banks, far from being the property of a financial oligarchy, belong in reality to a great many small investors."

This is true, but the analysis does not go far enough. Anyone who has attended the annual meeting of a chartered bank, knows that only a small percentage of the shareholders are sufficiently interested to attend and vote their stock in either selecting management or approving policies. The majority, content with regular dividend payments, sign over their voting power to nominees of the board so that in effect a good management becomes self-perpetuating. Theoretically this practice has weaknesses; in actuality it has strength.

The thousands of small investors who collectively control our chartered banks have the power to make changes in the board or dictate policies, but when management has proved its worth, continuity of direction is in the interests of the public even though it be self-perpetuating.

* * *

If Lord Nuffield Were a Canadian . . .

IF LORD NUFFIELD, British motor millionaire, were a Canadian citizen, and had made his recent huge gifts of $37.5 millions in this country, it is more than likely that a large part of the benefactions would be subject to heavy taxation and succession duty.

The way in which the gifts would be treated under Canadian tax laws serves to illustrate some of the inconsistencies of a system of competing governments in one country. For purposes of illustration, it is assumed that Lord Nuffield is a resident of Ontario.

At $5 to the pound, Lord Nuffield's known benefactions in the past two years have been as follows:

To establish fund by which employees are to become shareholders —$10.5 millions.

For benefit of depressed areas—$10 millions.

For medical school at Oxford University—$10 millions.

Other donations—$6.9 millions.

Total gifts—$37.4 millions.

* * *

SUPPOSE Lord Nuffield, a resident of Ontario, were to donate $10 millions to a Quebec university. This sum would be included in Lord Nuffield's estate to determine the rate of succession duty, and the duty would also be levied on this amount as if it were part of his remaining estate.

If Lord Nuffield resided in the same province as the workpeople to whom he made his gifts of $10.6 millions, the donations might be free of succession duties. But if he lived and had his wealth in Ontario and gave it in charity to his workpeople in, say, Nova Scotia, the benefaction would be subject to Ontario succession duties, even if Nova Scotia were the largest market for his cars and therefore the chief contributor to his wealth.

A Canadian Nuffield's gifts to depressed areas would probably go to relieve Western drought areas and would therefore fail to gain exemption from Ontario succession duties.

THE Ontario Succession Duties Act is to be revised at the coming session of the Legislature. It will exempt from succession duties gifts for the relief of poverty, donations for the advancement of education and religion, and gifts for other purposes beneficial to the community. This exemption, however, is only to be for gifts for use wholly and solely in Ontario. Unfortunately this puts a penalty on gifts to national charities and institutions.

Another point on which the law could be reformed is in inclusion of gifts in the total amount of an estate in order to establish a high rate of duty, even though the gifts are not treated as dutiable. Under former arrangements, a gift of $100,000 might be included in an estate to establish the rate of duty but the actual levy would not be made upon the "exempt" $100,000. If certain donations are not dutiable, it hardly seems reasonable to include them in an estate to set a high rate.

* * *

BESIDES being liable for succession duties, Lord Nuffield's benefactions would come in for taxation under the Dominion Government's gift tax. The Dominion provides exemption from this tax for gifts to charitable organizations or educational institutions. Under this exemption, the Nuffield gifts to Oxford University, and to other charitable and educational organizations would be freed of gift taxation. It is doubtful whether gifts to distressed areas would be exempt, but probably this exemption could be obtained even if it were necessary to form a charitable organization for evasion purposes. But there is little doubt that the gifts to workpeople to enable them to become shareholders in the Nuffield enterprises would be subject to the Dominion gift tax.

The method of taxation which penalizes a gift to any organization operating even partly outside the province in which a wealthy man lives is a peculiar form of provincial tariff on benefactions to outsiders. The Dominion gift tax makes it difficult to give money away for the benefit of hale and hearty members of the community at large. Clearly this is evidence of the need for a complete survey of the conflicts of taxation between our ten jurisdictions.

PROMOTED

Harold M. Reid, Montreal manager for J. J. Gibbons Limited, who has been elected a vice-president of the company.

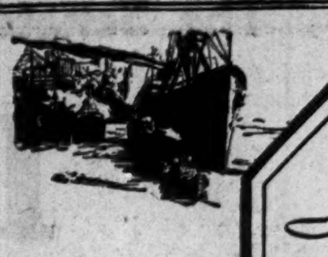
Rackets

"Selected" Prize Winners

ONE of the oldest and most prevalent "easy money" schemes operated in Canada are the "Membership Campaign" books of lottery tickets that reach thousands of Canadians through the mails each year.

A post office box number is usually the only address of the "club" of which few, if any, persons have heard in connection with legitimate club welfare work or other purpose. Whatever the character of the "club" it usually holds out a charity appeal for funds to be provided through "memberships" entitling "member" to a draw from which he might win an automobile, washing machine, house and lot, a ton of coal or other prize, including in some cases cash.

The complete absence of responsible names appearing in the printed literature accompanying the books of lottery tickets, should be sufficient warning to those who receive them. Lists are compiled from Canadians who have held tickets in other "draws" and these sucker lists are bought and sold among lottery promoters in much the same way that high-pressure stock promoters deal in shareholders' lists. In this way, many Canadians receive books of tickets to be sold on behalf of "clubs" and other doubtful organizations which they never knew to be in existence. Rarely are the names and addresses of "previous winners" contained in the accompanying printed pamphlets and there is, of course, no check whatever on the proceeds of the sale of "memberships." No audit of receipts and expenditures is provided, and nothing is said as to what proportion of the receipts go to the promoters and to the "charities" which are supposed to benefit.



Facilitating Canadian Trade and Commerce the World Over

MODERN, EXPERIENCED BANKING SERVICE . . . . *the outcome of 119 years' successful operation*

HEAD OFFICE, MONTREAL

BANK OF MONTREAL

ESTABLISHED 1817

ASSETS OVER $800,000,000

Pioneer and Bralorne's Output Totals $4.7 Millions in 1936

From Our Own Correspondent

VANCOUVER.—The two major producers in the Bridge River district, Pioneer and Bralorne, together produced to the value of more than $4,725,000 last year. Bralorne showed a uniform increase in production throughout the year. Pioneer lagged during the fall, while it handled a large proportion of development ore, but came back in the last two months to some extent. Bralorne's total output for the year was valued at $2,283,015; Pioneer's at $2,445,000.

Bralorne is still concentrating its operations in the Empire section, where favorable results have been obtained without interruption. What really amounts to an entirely new mine is now being developed by Bralorne, and the same holds true of Pioneer, which is continuing its deep level operations. Work has proceeded as far as the 2,300 level, and the nature of the ore is described as characteristic of what has been found in the upper levels.

Pioneer's December output, valued at $185,000, is believed to contain a scattering of high grade.

Bralorne's December production was valued at $222,250, representing a slight decline from the previous three months.

Reno Gold Mine in the Sheep Creek area reports a production for the year just ended totalling $960,000. Heads early in the year were steady around $24 a ton, and then as summer progressed they dropped slightly, and for the last three months were around $20 a ton. Production for December was valued at $76,690 from 3,705 tons milled, the heads being $20.70 a ton.

Ten-month production at **Cariboo Gold Quartz** was worth $509,530, according to a statement issued by R. R. Rose, managing director. The mill handled 40,544 tons and produced 14,558 ounces of gold. Development consisted of 6,910 ft. of drifting, raising and shaft driving.

Chief development during the past three months at Cariboo Gold Quartz was on the 1,600 and 1,700 levels in the Rainbow fault zone (No. 2 shaft), where ore averaging .6 ounces to the ton has been encountered.

Consolidated Paper Corp. Share Increase Approved

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been issued to Consolidated Paper Corp. increasing the authorized capital stock from 2 million to 3.5 million shares. The increase was made necessary by the plan of arrangement entered into between the company and the bondholders, whereby the bondholders accepted 15 shares of common stock for each $1,000 bond held in lieu of interest payments over the next three years.

We are pleased to announce that

MR. A. S. BRING

Formerly vice-president and general manager of Canadian Factors Corporation Limited, has become associated with Messrs. James Talcott Inc., of New York, who have been actively engaged in the business of factoring since 1854.

The newly organized Canadian company will be headed by Mr. Bring as president and with the vast Talcott resources and facilities the needs of factoring for Canadian business will be amply served.

JAMES TALCOTT OF CANADA LTD.

FACTORS

Temporary Offices: 1253 McGill College Avenue, Confederation Building

Telephone: Lancaster 7820 Montreal

Buyers Concerned As Newsprint Sales Diminish Supplies

(Continued from page 1)

many of them are not so sure now in view of the pronounced trend toward a newsprint shortage and the possibility that the fair price sought by Canadian manufacturers on a graduated scale is likely to be enforced in one lump sum in 1938, if not before.

A. N. P. A. Appears Worried

The Paper Committee of the A.N.P.A. is far from happy over the situation and in a bulletin to its members, sent out this week, said:

"Of little consolation and of great bewilderment to many publishers have been reports within the last few months that there is an ample supply of newsprint, when they have been having great difficulty in buying paper and it is known that a number of mills are a month behind on orders.

"We want to reassure you. We believe that the North American newsprint industry is capable of producing 800,000 tons more of newsprint, at current prices, than were produced in 1936.

"The acute inability of manufacturers to fill all orders in the last quarter of 1935 and 1936 has been due to publishers ordering on a hand-to-mouth basis.

Try New Policy

"We urge you to discontinue this policy. We urge you to carefully estimate your 1937 consumption, and beginning with Jan., 1937, to order your annual requirements, in equal monthly quantities. Thus, in the months of June, July and August, the months in which you consume the least paper, you will be building up a supply for the heavy consuming months in the fall.

"We believe that this practice will do away with the acute fall demands that have occurred in the last two years, and that it is a sound one from an economic viewpoint."

Trouble Was Foreseen

This is small consolation to the publisher when he needs newsprint and cannot get it. Some time ago manufacturers warned publishers that the increasing demand for newsprint could not be met promptly unless a more reasonable price was paid which would warrant the starting up of idle machines or spending large sums of money necessary to increase the efficiency of present machines in operation.

This condition has developed more rapidly probably than anticipated by the manufacturer, and certainly by the publisher. There is no actual shortage of newsprint at this time, but there is a possibility of this happening before many months have passed.

Supplies Are Limited

At present all Canadian mills, with the exception of those operated by Abitibi and Consolidated Paper, are booked to capacity, while some are oversold. The demands of a spot market can only be met by Abitibi and Consolidated. It is not likely that either one will step up production to relieve the pressure on the publishers unless they get a much higher price.

There is better than a fair possibility that the whole contract situation will come up for disccussion by midyear. If the present difficulty in making deliveries continues, which will be the case if consumption keeps along the anticipated course, the publishers may be willing to compromise with the manufacturers on a more equitable price. Further it is hardly conceivable that manufacturers will agree at this time to pegging the price for 1938 unless the new price meets with their approval.

The rapidly changing newsprint picture is currently reflected in the heavy demand for newsprint securities. There was a run up in values toward the middle of last year. A few weeks ago interest was revived and values have advanced to a point where, in many cases, they can only be justified by an upward revision of contract prices at an early date.

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Tel., pf.	87½c	Feb. 1	Jan. 15
Beatty Bros., 1st p.	$1.50	Feb. 1	Jan. 15
Biltmore Hats, c. ..	$1	Jan. 22	Jan. 15
Do., extra	50c	Jan. 22	Jan. 15
Brewers & Distillers	•$1	Feb. 1	Dec. 29
Bell Telephone	$1.50	Jan. 15	Dec. 23
B. C. Power, A	40c	Jan. 15	Dec. 31
Brazilian Tr., ord...	40c	Jan. 30	Dec. 26
Bruck S. Mills	10c	Jan. 15	Dec. 28
Brant. Cord., 1st pf.	32½c	Jan. 15	Dec. 19
Bralorne M.	10c	Jan. 15	Dec. 31
Do., extra	5c	Jan. 15	Dec. 31
Brewing Corp., pf.	37½c	Jan. 15	Dec. 31
Can. Investors	10c	Feb. 1	Jan. 18
Do., bonus	5c	Feb. 1	Jan. 18
Calgary Power, pf. .	$1.50	Feb. 1	Jan. 15
Can. South. Rly. ..	$1.50	Feb. 1	Dec. 28
Can. Bronze	25c	Feb. 1	Jan. 20
Do., bonus	75c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Can. Fairbanks, pf.	$1.50	Jan. 15	Dec. 31
Can. Cement, pf. ..	*$1	Mar. 20	Feb. 28
Can. Industries, A & B	$2	Jan. 30	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Light & Pr. ..	50c	Jan. 15	Dec. 31
Can. Gen. Invest. .	12½c	Jan. 15	Dec. 31
Canada Nor. Pr. ..	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Coniagas Mines ...	12½c	Jan. 11	Dec. 31
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 31
Crown Cork	20c	Feb. 15	Jan. 30
Can. & For. Sec., c.	†6c	Feb. 1	Jan. 15
Dome Mines	50c	Jan. 20	Dec. 31
Do., ...	50c	Apr. 20	Mar. 31
Dom. Textile, pref.	$1.75	Jan. 15	Dec. 31
East. Theatres, pfd.	$3.50	Jan. 30	Jan. 15
Frost Steel, 1st pf.	*$1.75	Feb. 2	Jan. 16
Goodyear Tire, c. ..	63c	Jan. 15	Dec. 31
Do., extra	$2.50	Jan. 15	Jan. 9
Gt. Lakes Pr., pf. ..	$1.75	Jan. 15	Dec. 31
Do., c.	$3	Jan. 15	Dec. 31
Guar. Tr. of Can. ..	$2.50	Jan. 15	Dec. 31
Howey Gold	2c	Feb. 1	Dec. 31
Hollinger Cons.	5c	Jan. 28	Jan. 14
Humberstone Shoe	50c	Feb. 1	Jan. 15
Inter. Bronze	37½c	Jan. 15	Dec. 31
Do., pfd.	37½c	Jan. 15	Dec. 31
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Milling, pf..	$1.25	Jan. 15	Jan. 5
Invest. Found., pf...	50c	Jan. 15	Dec. 31
Do., arrears	25c	Jan. 15	Dec. 31
Inter. Nickel, pf. ..	$1.75	Feb. 1	Jan. 2
Kelvinator, pfd.	$1.75	Feb. 15	Feb. 5
Little Long Lac ...	10c	Jan. 15	Dec. 28
Mtl. Telegraph	80c	Jan. 15	Dec. 31
McColl-Front., pf. .	$1.50	Jan. 15	Dec. 31
Mtl. L. H. & Power	38c	Jan. 30	Dec. 31
Mtl. Tramways	$2.25	Jan. 15	Jan. 5
Penman's	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Premier Gold	3c	Jan. 15	Dec. 18
Do., extra	1c	Jan. 15	Dec. 18
Power Corp., pfd. .	$1.50	Jan. 15	Dec. 31
Do., 2nd pf.	75c	Jan. 15	Dec. 31
Root Pete., c.	25c	Feb. 1	Jan. 18
Saguenay Pr., pf...	$1.37½	Feb. 1	Jan. 15
Shawinigan W. ...	20c	Feb. 15	Jan. 20
Sheep Creek M. ...	2c	Jan. 15	Dec. 31
Smith, Howard, pf.	$1.50	Jan. 15	Dec. 31
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$2	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
Simon & Sons, c. ..	25c	Jan. 15	Dec. 31
Do., pref.	$7	Jan. 15	Dec. 31
South. Can. Pr., c.	20c	Feb. 15	Jan. 30
South Can. Pwr., pf.	$1.50	Jan. 15	Dec. 19
Tor. Elevators, pf. ..	$1.75	Jan. 15	Jan. 2
Tuckett Tob., pf. ..	$1.75	Jan. 15	Dec. 31
Toburn Gold	2c	Feb. 23	Jan. 22
United Corp., A ...	*75c	Feb. 15	Jan. 20
Un. Gold Eq., st. & c	4c	Jan. 15	Jan. 5
United Secs.	50c	Jan. 15	Dec. 26
West. Grocers	60c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wr.-Hargreaves	‡10c	Feb. 1	Jan. 6
Weston, Geo., pf. ..	$1.25	Feb. 1	Jan. 20

†Initial. *On arrears. ‡Interim. •Capital distribution.

Canadian Almanac

CANADIAN ALMANAC. 1937 edition. Published by the Copp Clark Co., Toronto. Price $6.

The new edition of the venerable Canadian Almanac carries on the traditions of this volume, now within a decade of its hundredth birthday. Invaluable for the numerous lists and directories it contains of legal firms, post offices, educational institutions, associations, public officials, legislators, etc., the Almanac has a big job to do and it does it well.

The present edition runs into 680 pages and incorporates the changes made necessary by the death of King George V and the shamefaced exit from the official scene of his eldest son.

Battles Fought and Won By Maritime Publisher

Ridicule of Rivals Set H. P. Robinson on the Warpath

From Our Own Correspondent

SAINT JOHN, N.B.—At the turn of the century when a beard was a symbol of authority, Howard P. Robinson had no beard. His nearest claim to anything of the kind was an employee whose chin hid behind a luxurious growth of brush. Because he was cleanshaven, the youth who had founded at Sussex, New Brunswick, the first farm paper of the Maritime Provinces, was generally regarded as the employee, rather than the employer, and the bewhiskered one as the boss.

When a competitor started another Maritime farm paper in Halifax and acquired the services of The Beard, he didn't anticipate much trouble in driving Mr. Robinson's Maritime Farmer to the boards.

Mr. Robinson himself was almost convinced his competitor, the late Senator Dennis—uncle of the present Senator Dennis—would, with The Beard, prove too much for him. He went to Halifax and tried to sell out. The Senator wasn't interested and the youthful proprietor of The Maritime Farmer went home to Sussex, borrowed money for his paper and won the fight. The Maritime Farmer is still a going concern. Hardly anybody remembers the name of its one-time rival, The Maritime Homestead.

First Battle

That was the first of a series of business battles that have led Howard P. Robinson to his present place as one of Eastern Canada's leading financiers, industrialists and publishers and to his offices as:

Director of the Royal Bank of Canada.

President of The Maritime Trust Company.

Vice-president and member of the executive of the New Brunswick Telephone Co. Ltd.

Director Canadian International Paper Company and International Hydro-Electric System.

Director of Canadian Airways, Ltd.

Vice-president of Eastern Canada Coastal Steamships Ltd.

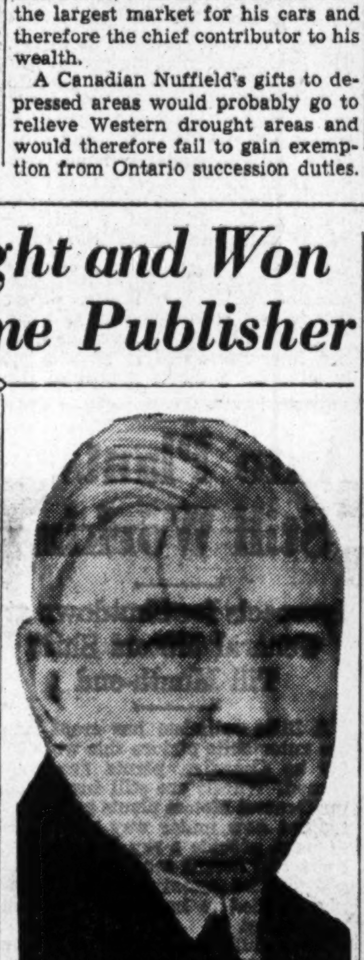
Director of the Bathurst Power & Paper Co., Ltd.

Trustee for the bondholders of the Fraser Companies, Ltd.

Vice-president of the New Brunswick Publishing Co., Ltd., which publishes The Evening Times-Globe and The Telegraph-Journal of Saint John, N.B.

Vice-president of the R. D. Robinson Publishing Co., Ltd., which publishes The Maritime Farmer.

Director of The Canadian Press.



HOWARD P. ROBINSON

President of the New Brunswick Broadcasting Co., Ltd.

President of the Maritime Publishing Company, Ltd.

Telephone Venture

Mr. Robinson's second major business battle resulted from his unanticipated plunge into the telephone business. The year of the World Fair at St. Louis he had sold out most of his publishing and printing interests and planned a trip to the fair with a friend. This friend had embarked on a telephone venture and had no cash for the trip. Robinson endorsed a note for him at the bank and took the telephone stock as security. A short time after the two had returned from St. Louis the bank called the loan. The stock was not saleable and Mr. Robinson had to pay up.

Thus he found himself owner of 20 miles of telephone line in New Brunswick which began nowhere and ended nowhere. An attempt to sell it to the old New Brunswick Telephone Co. of which Andrew G. Blair was president, was treated as a joke and made Robinson's hair bristle.

The only way to fight those who had laughed at him was to go deeper into the telephone business. In 1904 he mustered a group of capitalists, formed the Central Telephone Co. and declared war. The New Brunswick Telephone backed by the Bell, had millions behind it. Robinson had a few thousands, but at the end of five years the companies were on an equal basis. To continue the war meant disaster for both, and a merger was effected on an equality basis.

The Eastern Canadian financier, industrialist and publisher was born at the village of Elgin, in Albert County, N.B. His father, Robert D. Robinson, had founded the publishing concern of R. D. Robinson & Company, and young Robinson joined his father in that company.

On his father's death in 1901 Mr. Robinson took over complete management of the firm and established The Maritime Farmer.

After he had won his spurs as a farm paper publisher and as general manager of the New Brunswick Telephone Company he looked about for fresh fields. He resigned from the telephone company to become manager of J. C. Mackintosh & Co., which carried on an extensive security business in the Maritimes. Later he founded his own security business, Atlantic Bond Co.

A persistent demand for his services from the directors and shareholders led him to return to the New Brunswick Telephone Company in 1912 as managing director, and he still retains his association with the company as vice-president and member of the executive committee.

It was in 1912, too, that he and an associate conceived the idea of developing water powers in the southern part of New Brunswick and tying them up with the power and street railway utilities in Saint John.

The New Brunswick Power Company was formed and in 1916 purchased the Saint John Street Railway Company. Coincident with this purchase came a strong agitation for a power development under public ownership and Mr. Robinson found on his hands the toughest battle of his career. The final outcome was that the city itself entered into active competition with the Power Company, establishing the Civic Hydro Commission. In 1922 Mr. Robinson sold his entire interest in the company to the Federal Light & Traction Company of New York.

He returned then to his first love, publishing, and identified himself in 1922 with The Standard, a morning newspaper published in Saint John.

Under his guidance it speedily became an important factor in the newspaper field. Its name was changed to The Telegraph-Journal.

In 1926 The Saint John Globe, an evening paper, was acquired, and amalgamated with The Evening Times-Star, as The Times-Globe.

Public Utility Earnings

Mexican Light & Power

November	1936 $	1935 $	Increase $
Gross earns.	696,044	680,025	16,019
Oper. exps.	542,837	446,935	95,902
Net earns.	153,207	233,090	*79,883
Eleven Months Ended Nov. 30:			
Gross earns.	7,256,816	7,129,158	127,658
Oper. exps.	5,321,202	5,057,340	263,862
Net earns.	1,935,614	2,071,818	*136,204

* Decrease.

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax ...	5	1961	114.50	116.00	3.97
Hamilton ..	5	1950	112.00	113.50	3.72
Montreal ..	5	1945	106.00	107.50	3.92
Ottawa ...	4½	1945	109.00	111.00	3.00
†Quebec ...	5	1959	107.00	108.50	4.40
Saint John	5	1950	107.00	108.50	4.19
†Toronto ...	4½	1955	112.50	114.50	3.42
†Vancouver	5	1950	94.00	98.00	5.21
Winnipeg ..	5	1944	98.00	102.00	4.67

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.70	4.90
Can. Invest. Fund	4.75	5.10
All Can. Trustee	15.25	16.00
Trans-Canada	...	15.25
Grouped Income	6.90	7.55
Can. Equity	13.00	...
Can. Int. Tr. modified	6.00	6.50
Do., unmodified	5.50	6.00

S. H. LOGAN

A. E. ARSCOTT

COMMERCE APPOINTMENTS

At the annual meeting of the Canadian Bank of Commerce this week, S. H. Logan, general manager of the bank since 1926, was appointed president. He succeeds Sir John Aird, who is retiring from that office, although he will continue as a member of the board of directors. Replacing Mr. Logan as general manager is A. E. Arscott, who has been assistant general manager for the last seven years.

Appointments also include two assistant general managers. S. M. Wedd, formerly chief inspector, and James Stewart, of head office staff, are the new appointees.

Income Tax Problems

I would appreciate any information you can give me as to when surtax is payable under the Federal Income Tax Act. How is it calculated?

Surtax is payable on investment income when total income is more than $5,000. The Income Tax Act makes no positive definition of what investment income is, but specifies that it is that which accrues from sources other than salaries, wages and personal income such as pensions, retiring allowances, etc. Even income from the sources mentioned—earned income—is considered investment income when in excess of $14,000.

In amount, surtax ranges from 2% on incomes between $5,000 and $10,000 to 10% on those over $200,000.

Calculation of surtax is on the same basis as general income tax. That is, deduction of allowable charitable donations from net income gives taxable income. From this is taken the proper exemption and the tax calculated at the appropriate rate.

Any one of three exemptions may be claimed. All income up to $5,000; or earned income up to $14,000; or the sum of exemption and allowances for dependents.

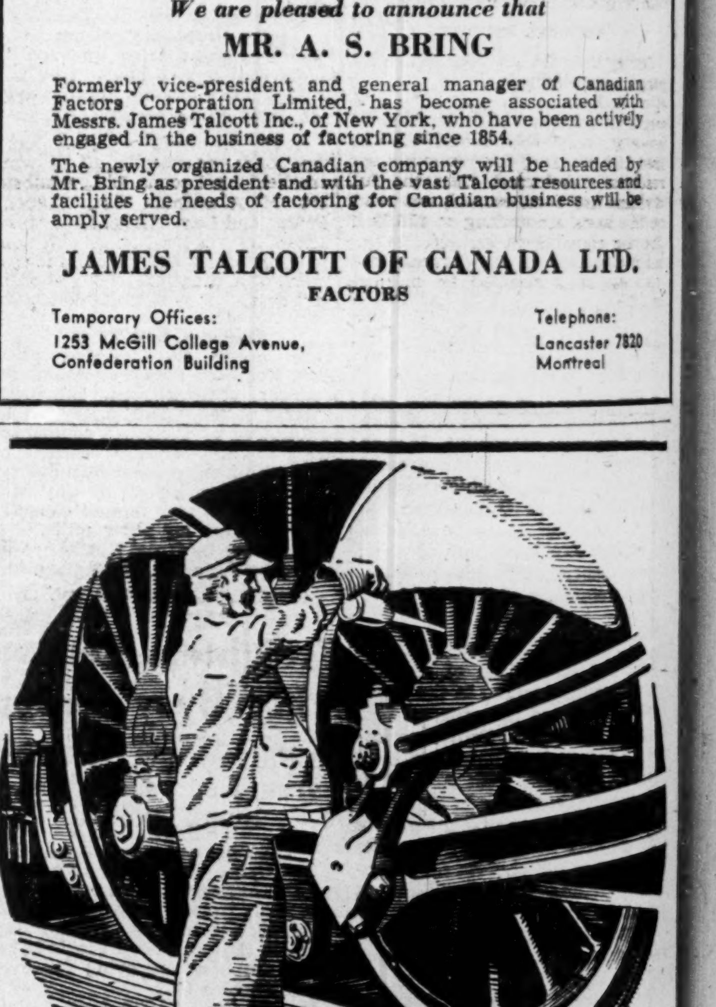
Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Ottawa Separate Sch.	Dec...	Griffis Fairclough & Norsworthy and Syndicate	3½%	....	$300,000	93	3.89%
Yarmouth, N.S.		Bank of Montreal	3½%	25 yr.	120,000	101.18	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Donnacona Paper Co.	Jan...	W. C. Pitfield & Co.	5½%	10 yr.	$750,000	100	5½%
Stock Issues—							
Partanen Malartic Gold Mine	Jan...	J. M. Scott Jr. & Co.	....	....	300,000 shs.	25c	.....



Credit as Required

Trade is vital to our national existence, and Credit is a first necessity. Credit lubricates the machinery of Trade, and keeps it running smoothly. A large percentage of The Dominion Bank's resources is always reserved for Credits to stimulate agriculture, industry, and sound trading, domestic and foreign.

THE DOMINION BANK

ESTABLISHED 1871

C. H. CARLISLE, *President* — DUDLEY DAWSON, *General Manager*

Paid Up Capital $7,000,000

Reserve Fund and Undivided Profits $7,592,000

News of Investments - - Analyses

Consumers Gas Plans to Sell Further Stock

Calls for Tenders on New Issue of $500,000—Record Price?

In order to retire bank loans and to provide some additional capital for expansion of plant and equipment, the Consumers' Gas Co. of Toronto will sell an additional $500,000 par value of common stock, bringing the total issued capital to $14,455,200. Tenders for the new issue will be received up to noon Feb. 4, and the board of directors will accept or reject tenders on Feb. 5.

With the stock of the company selling on the Toronto Stock Exchange at around $205 a share it is probable that a record price will be obtained for the new issue and that total proceeds will approximate $1 million, or double the par value of the stock to be issued. Since its inception the company has done practically its entire financing by the sale of common shares. Its long and favorable dividend record is such that it has had no difficulty in selling stock at a substantial premium, the average price for new issues in the past being somewhere near the prevailing market price for stock already outstanding. The highest price to date for a new issue of the company's stock was obtained in 1929 when 12,500 shares were sold at $188 a share.

Dividend Record

The company has paid dividends in every year since its inception in 1848, and the present rate of 10% on the par value has been maintained since 1874. The present yield is slightly below 5%. The company's stock, however, has always been regarded as having high investment standing, and the present yield is considered attractive on the basis of present yields on gilt-edged securities.

According to an official announcement no major expansion is contemplated, but the company normally requires a certain amount of new capital to provide service because of ordinary growth of the city and its suburbs. Bank loans at Sept. 30 last were shown at $495,000 so that the amount of capital available for expansion will be about $500,000.

The new stock which is to be issued will rank for dividend from Feb. 15. Half a dividend will be paid on the new stock on April 1, when the regular quarterly dividend is paid on shares now outstanding.

Earnings Improve

During the past six years the company has not earned its full dividend after deducting statutory requirements for renewals and reserves. If, however, only the actual amount used and required for renewals and reserves is deducted, then the full dividend has been earned, net profit on this basis amounting to $10.72 in the year ended Sept. 30, 1936. During the first quarter of the current fiscal year gas sales showed an increase of 1.6%.

DIRECTOR

J. P. A. Smyth, vice-president and general manager of Industrial Acceptance Corp., who has been elected a director of Robert Mitchell Co.

Maritime Tel. Pays Bonus on Common

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. has declared an extra dividend of 10 cents a share on the common stock, bringing the total distribution for 1936 up to 70 cents a share.

No figures have been published as to dollar revenue, but expectations are that the income account for 1936 will show an improvement over 1935, when the company reported a gross revenue of about $1.8 million and a net income of $340,210 available for dividends. The latter was equivalent to 65 cents a share on the common stock as against payments of 60 cents. A declaration of the 10-cent bonus would indicate that net profits for 1936 were in excess of 70 cents a share on the common stock.

B.C. Packers Head Denies Record Year

But Company Had Best Results Since 1930

H. R. MacMillan, president of British Columbia Packers Ltd., reports that the company's 1936 season was good, the best since 1930. He makes this statement to correct a recent report from The Financial Post's Vancouver correspondent which stated that the season was the best on record. It was not the best on record but was the best since before the depression.

While the company's pack of sockeye was unexpectedly large in 1936, earnings will not be as high as those of $235,499 in 1930.

In 1935, the company had a net loss of $32,250 after all charges and the 1934 loss was $18,187. This was nevertheless a considerable improvement over the severe losses of the worst depression years, the heaviest loss being $1,266,038 in the year ended Feb. 28, 1931.

New common shares of the company have been stronger in recent months. They represent a writing down of the old capitalization. Holders of the former 7% preferred shares of $100 each received 2½ new common shares for each preferred share, and holders of the old common received 1/10 new share for each share held.

Commercial Alcohols' Plan Makes Headway

MONTREAL.—Commercial Alcohols Ltd. advises the Montreal Curb Market that 3,400 additional shares of common stock have been issued, bringing the total number outstanding to 103,400.

This additional stock represents conversion of the remaining outstanding bonds of the company.

It is officially reported that the board of the company is currently engaged in working out a plan of reorganization

GENERAL MANAGER

R. B. Teakle, one of Canada's steamship authorities and manager of the Ontario Car Ferry and the Canada Atlantic Transit Co., with headquarters at Toronto, who has been appointed general manager of the Canadian National Steamships. Mr. Teakle has been identified with various marine subsidiaries of the Canadian National Railways for the past 18 years, commencing as manager of the Canadian Government Merchant Marine.

English Shareholders Lose Second Round

MONTREAL.—The second stage in the lawsuit instituted in the Ontario courts by George P. Lovibond against the Grand Trunk Railway, Canadian National Railways and the Attorney-General of Canada, goes to the defendants. A court order has been issued striking out the name of the Attorney-General of Canada as a party defendant. At the same time the court ordered security for cost to be given by the plaintiff within four weeks for $500 cash, or a bond for double that amount, with liberty assured the defendants to apply later for increased security.

Saint John Port Traffic Heavier During Past Year

MONTREAL. — Cargo tonnage moving through the Port of Saint John during 1936 amounted to $1.7 million, of which imports totalled 704,528 and exports just over one million tons. This represents an increase of nearly 300,000 tons over the figures reported for 1935.

Sale of Price Bros. Assets Called off by Bond Trustee

From Our Own Correspondent

MONTREAL. — Montreal Trust Co., trustee for the bondholders, announces that the proposed sale Feb. 3 of the properties and assets of Price Bros & Co. has been cancelled.

So far there is no official indication that the trustee has accepted the compromise plan put forward by the company to the bondholders. However it is expected the offer will be accepted.

Acting on behalf of the holders of the bonds, practically all of which are held by Pacona Ltd., a subsidiary of Aluminum Co., Saguenay Power and Leman Bros., the trustee asked for redemption of the bonds in gold or its equivalent and payment of a premium of 7½% on the principal. In addition, there were other contingencies, such as the power contract, payment of trustees fees, etc.

While there is no official confirmation, it is generally understood the trustee has dropped the demand for payment in gold or its equivalent and will accept the par value of the bonds, plus a premium of 7½%, together with interest and interest on interest from the date of default, all of the foregoing to be paid in New York funds. The company, moreover, has agreed to pay the expenses and compensation of the trustee, Montreal Trust Co., estimated to be around $200,000.

Aside from the trustee compensation, it is estimated that about $15.6 millions will be required to pay off the bondholders.

Canada Steamship Plan Unlike Detroit Tunnel

A subscriber, G. Landreth, of Jubilee, B.C., criticizes the reorganization plan for Detroit & Canada Tunnel Co., as giving too little to debenture holders. He writes, in part:

"In your issue of Dec. 26, 1936, I notice a protest from several people re the reorganization of Canada Steamship Lines, and this brings to mind the reorganization of Detroit & Canada Tunnel Co.

Both Contributed

"When this firm built the tunnel, they spent over $20 millions and the first mortgage holders only put up $8.5 millions, while the debenture holders put up nearly as much to construct the project. Neither group paid for its entire construction and the funds of both parties were required.

Under these circumstances, I feel that the judge who allowed the reorganization to go through whereby the debenture holders only receive three shares for each $1,000, while the mortgage holders get $300 in bonds and 12 shares per $1,000 was very unfair. It means that the common stock which has been allotted to debenture holders will have to go to $333 before we can even get our money back, while the mortgage holders will only have to get $83 a share. Since both parties contributed to the construction from the beginning, I think a more equitable arrangement should have been made."

Circumstances Differ

Whether or not there is justification for complaint of the proportionate securities for bondholders and for debenture holders in Detroit & Canada Tunnel Co., it should be noted that the debenture holders' position is not precisely parallel to that of preferred shareholders of Canada Steamship Lines.

The view of The Financial Post has always been that in any reorganization first mortgage bondholders are entitled to satisfaction ahead of junior securities. Where the entire amount of new securities is to be divided between first and second mortgage holders, as in the case of Detroit & Canada Tunnel Co., it may be regarded as a concession that anything at all is given to holders of the secondary securities, in this case the debentures. It could be argued that there is no equity or earnings for the debentures at all.

C. S. L. Bond Settlement

In the case of Canada Steamship Lines, there appears to be an equity over and above the satisfaction of first mortgage bonds. The holder of $1,000 of bonds is to receive $600 of new bonds and $655 of new preferred stock in satisfaction of principal and arrears of interest, before holders of the old preferred get anything. The question then resolves itself into a division of the equity securities, new common shares, between holders of the old preferred and common stock. The protest of preferred holders in this case is not that bondholders are getting the prime securities but that old common shareholders are to come in for too generous a share of the equity at the expense of the preferred. In the Detroit & Canada Tunnel case, bondholders and debenture holders are wiping out the common stock entirely.

Debenture holders in Detroit & Canada Co. are in a somewhat similar position to holders of common shares of Canada Steamship Lines. Both are fortunate to obtain new securities from holders of the immediately senior securities, the old preferred in the C. S. L. case and the first mortgage bonds in the Detroit Bridge plant.

The investment in debentures of Detroit & Canada Tunnel Co. has been unfortunate, but this cannot entitle holders to anything like parity with the first mortgage bonds.

Crown Cork & Seal—By a typographical transposition in dividend listing recently the extra dividend of 20 cents a share paid by Consolidated Bakeries was listed in error under Crown Cork.

Fairly well off..

MIGHTY WELL PROTECTED

Men who have accumulated a moderate estate are often surprised to learn how thoroughly their funds can be protected by Trust Service.

Do not let the modest size of your estate deter you from learning what we can do for you—as Executor under your will or as Trustee of a fund to protect your home and family.

Crown Trust Company

WILLIAM I. GEAR, President, JOHN JENKINS, Vice-President
ARTHUR LYMAN, Vice-President, IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST, MONTREAL

EXECUTORS · TRUSTEES · FINANCIAL AGENTS

If You Wish to LIVE While You're Alive

How can you truly LIVE shadowed by the anxiety that if you were not here your family would not have the things they need?

Protect them with proper income policies, which we sell. It will add to your present happiness.

As you get on in years, if the protection is not needed, you can turn it into income with which to enjoy life.

PROTECTION

THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA

HEAD OFFICE—WATERLOO, ONTARIO

New 1937 FORD V·8 TRUCKS AND COMMERCIAL MODELS

Powerful... Economical... Reliable

For 1937, Ford introduces NEW hauling and delivery ECONOMY ... choice of power to fit your individual needs. Two-ton trucks are equipped with a heavy-duty 95-horsepower V-8 engine, while 1½-ton trucks are powered by the improved 85-horsepower V-8 engine. Commercial models can be powered to suit load requirements with either the 85-horsepower, or an entirely new 60-horsepower V-8 engine. To apply power economically and to meet individual load requirements, a choice of axle gear ratios, 3 wheelbases, and a wide variety of body and tire equipment is available.

There's a big difference between delivering a load of coal and a pound of coffee. A truck that's powered for one job may be over-powered or under-powered for the other. But with Specialized Transportation, you get top economy for your own individual operation. In addition, you get the most advanced style in truck design ... plus Easy-Action Safety Brakes and many other new features that assure greater economy and longer life. Also forward load distribution, torque-tube drive, and all the other features that have won the approval of Ford owners for years.

There is also a complete line of de luxe trucks providing unusually comfortable cabs and fine appearance.

Get the facts today! Call your Ford dealer—or see him—and set a date for your "on-the-job" test under your own operating conditions.

Ford

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TWO METHODS OF DISTRIBUTION

UNDER YOUR WILL . . .

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You can leave your Estate outright or you can put it in trust; these two methods are often combined. Leaving property or your business outright may very properly enfranchise your son; setting up Trusts will enable you to continue your protection of your Family and to prepare for contingencies . . . Through a Trust you can protect your wife from investment worries as she advances in life and you can provide for minor children. A Trust is often the best way of making the most of Estates of medium size and frequently makes a saving in Succession Duty possible . . . Our Estates Analysis Department can help you to weigh your own position. It can tell you what plans are being adopted to meet modern conditions and how they work out in practice. You incur no obligation.

THE TORONTO GENERAL TRUSTS CORPORATION

ESTABLISHED 1882

W. G. WATSON, *General Manager*

ASSETS UNDER ADMINISTRATION $235,000,000

Investment Trends

Stock Market Trend Remains Indefinite

May Be Clarified by Breaking of Either Upper or Lower Levels of Trading Range — Increased Loans Indicate Speculation

Recent strength of industrial shares on Toronto and New York markets still leaves the intermediate trend of share prices indefinite. The chief sign for this is that railway shares in New York have not participated in the strength of industrials over the past two months. After pronounced strength, which carried the official exchange index to the highest point in years, Montreal industrials have been showing hesitation.

Followers of the Dow theory suggest that resumption of the advance would be indicated if industrial and rail averages were to rise together to levels about 185.9 and 60.9 respectively. A downward trend would be indicated by recession of the industrials below 172.3. Present levels are approximately 183 and 55.

Increase of $3.4 millions in borrowings of Toronto Stock Exchange members at Dec. 31, brought the total to $43.8 millions, or $19 millions more than at Dec. 31, 1935.

Montreal Stock Exchange member borrowings have also been rising, reaching $35.6 millions in December, approximately twice the 1935 level, indicating public participation in stock market dealings. The growth of loans is regarded as a sign of uncertainty rather than of strength, although it does not appear to have gone far enough to be disturbing. It does show, however, an increase in the amount of securities in stock brokers' accounts available for liquidation.

Investment demand for actual or potential possibilities or increased income is the major support for stock markets. The prospect, therefore, is that in periods of general weakness this investment demand will furnish a cushion for seasoned common shares.

Retail sales volume has been good in January, apparently reflecting increased dividends, wages and salaries announced at the year-end.

Commodity Investments

BECAUSE of rising trends in commodity markets, there appears to be increasing interest in the possibilities of successful investment in this field. For the average investor, purchase of commodities must be regarded rather as speculation than legitimate investment. No income is obtainable from ordinary long commitments, and the purchase is often perishable.

There are more attractive alternative methods of investing in commodities, notably in common shares. Companies whose welfare is closely related to commodities are better investments for the individual than commodities themselves. Some striking examples are International Petroleum and B A Oil in the crude oil group, Goodyear Tire in rubber, Lake of the Woods Milling, Massey-Harris, Cockshutt Plow and others connected with wheat. Brazilian Traction related to coffee, and so on to a wide field of copper shares, steel securities and others. In securities of these types, the investor gets not only the benefit of expert management in specialized fields of business but also stands to obtain profits from management in connection with the commodities concerned.

* * *

New Groupings

THE Dominion Bureau of Statistics has made an improvement in its segregation of security groups for its indices of stock prices. Instead of the two former groups, iron and steel shares and "miscellaneous," there are three new groupings: machinery and equipment shares, building materials stocks, and industrial mines. The two latter are International Nickel and Consolidated Smelters which are at about 5½ times the 1926 level.

The machinery and equipment group is made up of eight stocks, Canadian Car, Cockshutt Plow, Ford, General Steel Wares, Kelvinator, Massey-Harris, National Steel Car and Page-Hersey. Changes in the index number for this group of stocks, now standing at 1.88 times the 1926 level, should give a good indication of activity in the capital goods and semi-durable goods industries. The building materials stocks should provide a similar indication of activity in construction. This group index is at only 71.2% of the 1926 level, and the 14 stocks used in the grouping are: Building Products, Canadian Bronze, Canada Cement, Canadian Dredge, Canada Wire A and B, Dominion Bridge, Dominion Glass, Foundation Co., Gypsum Line, Hamilton Bridge, Sherwin-Williams, Steel of Canada and United Steel.

Apart from pulp and paper, and transportation shares, the building materials group is the lowest in the scale of any in the D. B. S. indices. Although the building shares seem amply priced in relation to earnings, this is a group of stocks in an industry that still has more than average scope for further recovery.

What of March?

THE month of March is frequently one of adversity for stock markets. As it approaches each year, we are inclined to recollect more bad things that have happened to stocks in March than good. Last year, it was a month of pronounced weakness which carried into April. In 1935, March marked the low point for the year. In 1928 and 1929 there were uncertainties in March which foreboded greater ills to come.

March is a month in which the new year is too young to have given proof of its worth. It is a month of bad weather for important business areas. And the good and bad of the preceding year have been well absorbed by the end of the month. In brief, it is a month when the past is transparent and the future seems dull.

Winnipeg Electric Using More Buses

Heavier Passenger Traffic Necessitates Further Motor Units

Winnipeg Electric Co. has undertaken a programme of replacing obsolete buses and adding new units to its fleet, according to Bus and Truck Transport of Toronto. A marked increase in the number of passengers using buses during the past three years has necessitated the addition of 20 new buses in the last 18 months. At present the company is engaged in the construction of additional units.

From 1931 to 1933 Winnipeg Electric had 49 buses in operation within the city limits. The 1931 total mileage of these buses was 1,493,000 and the number of passengers 4,244,000. A further increase was reported in 1933, bus mileage being 1,718,000 and passengers carried 4,672,000, despite the fact that there was no change in the number of buses in operation.

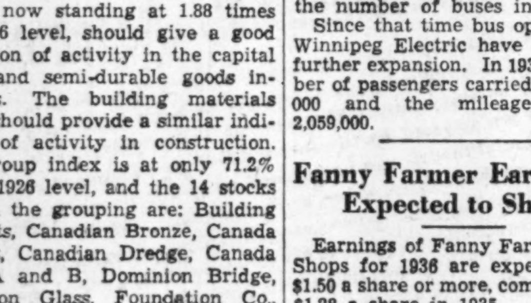
Since that time bus operations of Winnipeg Electric have recorded a further expansion. In 1935 the number of passengers carried was 5,895,000 and the mileage operated 2,059,000.

Fanny Farmer Earnings Expected to Show Gain

Earnings of Fanny Farmer Candy Shops for 1936 are expected to be $1.50 a share or more, compared with $1.28 a share in 1935.

This is anticipated from the increase of 16.4% in sales for the first 11 months of the year which is reported to have carried through the Christmas season.

Total dividend payments for 1936 were 87½ cents a share. The company's liquid position is strong, and expansion has been financed largely from earnings.



A CONCISE REVIEW OF CANADA'S INDUSTRIAL PROGRESS IN 1936

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During 1936 impressive gains were recorded in almost every branch of Canadian industry. The extent of these gains is clearly set forth in the current issue of our quarterly publication *"Investments"*.

Once more investors are looking ahead into a New Year. The investment counsel and services of this firm are at your disposal.

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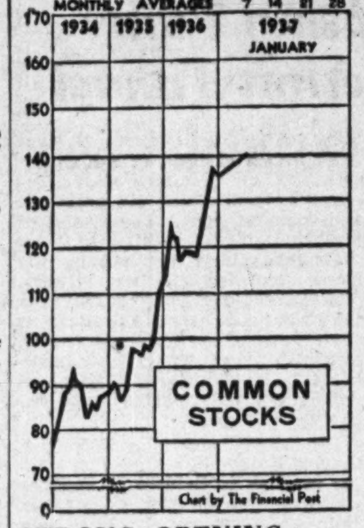

STRONG OPENING

Dominion Bureau index of common stock prices rose to 140.1 for the first week of 1937, compared with 112.8 a year ago. Comparative indices appear on this page.

H. N. M. Stanbury Retires From Canada Permanent

H. N. M. Stanbury, manager of the Canada Permanent Mortgage Corp. and the Canadian Permanent Trust Co. Nova Scotia branch at Halifax, has retired from the service of the two institutions after more than 40 years service.

Mr. Stanbury is succeeded in the management for Nova Scotia of both companies by Charles F. Mackenzie, who will be assisted by Harry A. Love as trust officer for the Canada Permanent Trust Co. and inspector for the Canada Permanent Mortgage Corp. Fred W. Purchase will be chief accountant for both companies in Nova Scotia.

Alberta's Meat Industry

Ranking fourth among the provinces in its output of slaughtering and meat packing products of 1935, Alberta's sales amounted to $16 millions at factory prices. Ten plants were in operation with payrolls of $1,673,672.

Geo. Weston To Show Gain For '36 Year

Balance Sheet Stronger Due to Sale of Shares

DISTRIBUTE COMMON

Annual report of Geo. Weston Ltd. for 1936 will show improvement in the liquid position due to disposal of English interests and despite expenditures on plant expansion, it is understood.

Earnings for the year are expected unofficially to be around $1.40 to $1.50 a share, somewhat less than had been hoped a few months ago. This is largely due to rising costs of materials such as shortening, flour, cocoa and sugar recently. Biscuit prices have been raised by Weston's as well as by the trade generally to offset higher costs, but it is difficult to tell yet whether this may have an adverse effect on volume.

Distribution of Shares

The Financial Post understands large blocks of common shares formerly held in the United States which were overhanging the market have now been given wide public distribution and that this has increased the number of shareholders substantially.

The sale of shares in the company's British ventures and the issue of the new convertible 5% preferred stock in 1936 will make for some simplification and strengthening of the balance sheet position. Receipts from the sale of the British shares are understood to have been about $600,000. All this may not show in the liquid position because substantial expenditures were made on the new plant at Battle Creek, Mich., opened a few months ago, and on enlargement of the plant at Passaic, N. J. The year's surplus of earnings over the total dividend payments on the 375,882 common shares of 85 cents a share for 1936 will contribute to the increase in net liquid assets.

Effects of the issue of $1.5 million of new 5% preferred on the balance sheet will be important. The $900,000 of old 7% preferred has been eliminated and minor debts of subsidiaries have also been cleared off the balance sheet.

Earnings on the common shares amounted to $1.08 a share in 1935. The common stock was split two shares for one in Feb., 1934, and again in 1935.

CHEMICAL SECRETARY

John A. Fuller, who has resigned as vice-president of Aldred & Co. to accept the position of secretary of Shawinigan Chemicals Ltd.

Canadian Fairbanks Unit Reduces Share Capital

From Our Own Correspondent

MONTREAL.—E. and T. Fairbanks and Co., wholly owned subsidiary of Canadian Fairbanks-Morse Co., has taken out supplementary letters patent reducing capital stock from $600,000 to $530,000, the difference having been lost and being unrepresented by available assets. The decrease in the capital is effected by cancellation of 700 fully paid-up common shares of the par value of $100 each, and converting the remaining 2,300 common shares into an equal number of shares of no par value.

James Talcott Inc. Forms Canadian Subsidiary

MONTREAL.—James Talcott Inc., of New York, announces formation of James Talcott of Canada Ltd., with head office in Montreal. A. S. Bring formerly vice-president and general manager of Canadian Factors Corp., will be president of the new organization, which will engage in factoring along the same lines as the parent concern.

Abitibi Plan Is Indefinite

Bondholders' Committee Awaits Settlement of Limits

Abitibi Power & Paper Co. bondholders' committee has not adopted any definite plan of reorganization, and representatives of the company have not completed discussions with the Ontario Government regarding timber limits.

Meanwhile, New York has been a buyer of Abitibi bonds on the rise from 70 to above 90.

It is reported that negotiations with the Ontario Government in connection with reallocation of timber limits have progressed satisfactorily. An early settlement is expected, but the wide extent of the company's interests complicates the problem.

When the problem of timber limits has been settled, it is expected that the bondholders' committee will meet to discuss the question of reorganization. It is reported that tentative proposals have been made privately. It is also understood that some common shareholders may come forward with plans independent of the bondholders' committee.

The committee for preferred shareholders appears to be taking the position that it has a "watching brief," and may only come into action after reorganization proposals have been discussed by the bondholders' committee. There is little doubt that the important interests holding preferred shares will have to be consulted in any plan of reorganization.

Operations Improve

Increased sales of newsprint have widened the company's activities, with four mills now in operation, Iroquois Falls, Sault Ste. Marie, Pine Falls, and Thunder Bay. It is understood that the possibility of reopening the mills at Fort William and at Beaupré depends entirely on the demand for newsprint. The Financial Post understands that the company can make all the paper it has been able to sell at the four mills now in operation. There is believed to be little possibility of reopening the high cost mills at Espanola and Sturgeon Falls.

Rated capacity of the four operating mills is 420,000 tons annually, compared with the company's production of 289,000 tons in 1935.

Production has increased substantially in recent months but according to reliable information has not strained capacity of the operating mills. An additional 130,000 tons annually could be produced by reopening the Fort William and Beaupré mills. This would give a total rated capacity from six mills of some 550,000 tons annually which is well in excess of the company's present sales.

Investment Notes

Brazilian—The story which has been partly responsible for recent strength in the shares is that the company could pay regular dividends of $1 a share in 1937. The company's policy on dividends is to make only official announcements. It will be recalled that early in 1936 there were expectations of two payments of 50 cents each for that year, and that one of 30 cents and another of 40 cents have been forthcoming.

* * *

Bell Telephone—Issue of another 257 shares in December under the employees' stock subscription plan brings total outstanding shares to 785,709.

* * *

Winnipeg Electric — Increased interest has been shown in the preferred shares by some investment interests who are impressed by the recovery of revenues in recent months.

* * *

Canada Cement—The financial statement for the year ended Nov. 30, 1936, will make its appearance this week-end. On the basis of the interim statement issued at the time the financing was carried out last September, the report should show expansion in earnings. For the eight months ended July 31, consolidated profits from operations were $1.3 million before depreciation, bond interest and income taxes, compared with $963,108 for the corresponding period of 1935.

* * *

Int. Metal Industries—Some well-informed investors who regard the common as amply priced around $16, have bought the preferred as high as 90.

* * *

Toronto Elevators—New 5¼% preferred stock recently offered at $50 is quoted at a substantial premium on the Toronto Stock Exchange. Business for the four months ended Dec. 31, 1936, showed satisfactory improvement. The common is expected to be transferred from the curb to the list on the exchange. Number of common shares outstanding will be indefinite until March 8, when the old 7% preferred, convertible one share for three common, is retired. It is expected that conversions will increase the common, which totalled 25,446 shares recently.

* * *

English Electric — The subsidiary, Anglo-Canadian Electric Lamp Co., is to operate at Oshawa. If the light bulb scheme proves successful, it would make English Electric into a comparatively stable earner in contrast with erratic earnings in the past, due to specialization in heavy equipment.

* * *

Canada Dry Ginger Ale—P. D. Saylor, formerly president and now a director, decreased his holdings by 1,000 shares to 11,344 shares in November, 1936.

* * *

C. P. R.—Frederick Bramley, secretary, disposed of 175 ordinary shares and acquired 1,000 4% sterling preference shares, holding 1,200 of the latter, in November, 1936. E. A. Leslie, comptroller, acquired five shares, holding 50. J. M. Wilson, director, acquired 1,000 shares, doubling his holding.

* * *

Hudson Bay Mining—C. V. Whitney, chairman, holds 188,294 shares directly. C. V. Whitney Trust decreased its holding 50,000 shares in November to a total of 125,000 shares. Mr. Whitney's proportionate interest in the trust is not revealed. A. H. Lockett, vice-president, decreased his holding by 200 shares to a balance of 500 shares in November.

* * *

International Nickel — P. D. Merica, a director, in November decreased his holdings by 300 shares to a balance of 4,200.

* * *

Int. Paper & Power—Albert H. Wiggin, director, holds, indirectly, 5,900 class A common, 5,000 class B common, 16,900 class C common and 27,478 preferred shares. J. St. C. Brookes, Jr., a director, in November disposed of all his 100 shares class B common.

* * *

Teck Hughes — Herbert C. McCloskey, secretary, increased his holdings 9,300 shares to a total of 44,400 in November.

* * *

Massachusetts Investors Trust — One of the leading American investing companies, this concern made substantial changes in its holdings of mining shares in the three months ended Sept. 30, 1936. Among the changes were these:

Bulolo—Increased from 12,000 to 12,750 shares.

Dome—Decreased from 12,000 to 10,000 shares.

Hollinger—Disposed of all 27,600 shares.

Wright Hargreaves—Disposed of all 30,000 shares.

Lake Shore—Reduced from 18,000 to 9,600 shares.

McIntyre Porcupine — Reduced from 6,000 to 700 shares.

Noranda—Increased from 30,000 to 35,000 shares.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 87
1929-35:*												
High	†100.0	113.4	273.4	423.5	113.5	197.8	205.4	†100.0	†100.0	317.6	166.0	232.6
Low	....	2.8	37.7	83.6	28.0	72.1	28.5	....	....	49.3	33.1	40.9
Monthly Figures, 1936:												
Jan.	....	18.6	80.0	231.0	75.5	153.6	151.7	....	....	187.7	52.4	117.8
Feb.	....	20.2	84.3	246.5	74.0	158.7	151.7	....	....	200.0	57.0	126.1
March ..	....	18.5	88.7	237.3	73.1	153.0	140.1	....	....	194.8	55.5	122.8
April ...	....	17.5	91.0	244.5	71.3	150.7	131.7	....	....	194.2	53.2	121.4
May	....	16.7	87.3	234.0	68.1	145.7	131.4	....	....	187.9	52.5	117.9
June	....	17.5	86.5	228.1	67.4	149.2	129.3	....	....	189.3	53.3	119.0
July	....	18.6	87.0	224.3	66.8	153.9	131.6	....	....	190.1	53.8	119.6
Aug.	....	18.0	89.9	218.9	68.0	157.1	135.7	....	....	191.4	53.1	119.9
Sept.	....	20.3	93.9	220.6	70.6	162.5	133.2	....	....	200.6	54.8	125.2
Oct.	....	24.4	101.9	232.5	73.4	171.7	135.6	....	....	212.3	59.8	133.4
Nov.	....	27.5	107.0	233.4	74.4	179.6	143.6	....	....	219.9	62.4	138.4
Weekly Figures, 1936:												
Dec. 3 ..	....	29.7	110.6	216.5	73.0	180.2	142.7	....	....	211.9	61.0	133.2
Dec. 10 ..	....	28.7	110.1	220.0	73.5	178.2	141.5	....	....	212.7	60.7	133.4
Dec. 17 ..	....	29.0	113.8	219.9	73.8	182.0	143.6	....	....	216.0	61.6	135.5
Dec. 24 ..	....	29.2	114.7	218.3	74.6	182.3	141.9	....	....	216.0	62.1	135.7
Dec. 31 ..	....	31.9	115.4	219.3	74.6	181.2	142.2	....	....	217.6	64.7	137.7
Jan. 7 ..	188.0	35.2	114.1	228.7	75.2	183.3	140.5	71.2	546.9	219.7	67.6	140.1

*High and low of years from 1929 to 1936 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.
†1926.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Jan. 12	167.70	158.28	200.44
Jan. 11	166.76	157.50	198.65
Jan. 9	166.64	156.91	197.05
Jan. 8	166.62	156.81	196.50
Jan. 7	166.91	157.81	193.38
Jan. 6	165.68	156.64	196.19
Month ago ..	157.11	144.31	179.91
Year ago ...	132.90	127.57	126.05
High, 1936-7.	167.70	158.69	200.44
Low, 1936-7..	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Jan. 12	96.5	107.8	101.7
Jan. 11	89.0	108.3	101.9
Jan. 9	88.6	108.1	101.6
Jan. 8	88.8	108.2	101.8
Jan. 7	89.4	108.5	102.1
Jan. 6	87.4	108.6	101.5
Month ago	77.8	101.6	93.6
Year ago	69.5	72.4	71.4
High, 1936-7 ...	89.4	109.4	102.1
Low, 1936-7 ...	67.2	69.5	68.9

Investment Analysis

General Steel Wares

Recovery in Earning Power and Possible Refunding of Bonds Makes Outlook for Preferred Stock More Attractive

General Steel Wares has registered a substantial measure of recovery and when the proposed refunding operation on the bonds is carried out, as is expected this year, the way will be clear to consider resumption of dividends on the preferred stock.

Amalgamation of the properties going to make up General Steel Wares was seriously interfered with by the collapse of business in 1929. Since then the management has slowly, but steadily, whipped the company into shape and welded the various plants into an integrated unit.

Operate On National Scale

Operations are conducted on a national scale, with manufacturing at Montreal, Toronto, Winnipeg and Vancouver. The output includes a wide range of enamel, aluminum, nickel, copper and sheet metal products, as well as stoves, furnaces and a host of allied items.

These goods fall between the durable and consumer goods classes and the sharp decline in earning power following 1929 was in line with the experience of other companies in the same category. Dividends on the preferred stock had to be deferred, but throughout the depression years the company paid all obligations on its funded debt.

Position is Stronger

At present General Steel Wares financial position is a satisfactory one. At the end of 1935 there were outstanding just under $6.9 millions of 6% bonds, with interest payable in three currencies and maturing in 1952. In addition there are 45,000 shares of 6% cumulative preferred issued, on which arrears will amount to $42 a share at the end of this month and 200,000 shares of no par value common stock.

In 1930 and 1929 sharp readjustments had to be made in inventory values, which had the effect of cutting down net working capital. However since then the inventory and working capital position has been well maintained and the company is in a good position, financially, to take advantage of further recovery in business.

Earnings Coming Back

The recovery in earning power has led to the expectation that before long it will be possible to work out some plan whereby the arrears of dividends will be liquidated and the preferred restored to a paying basis. The improvement is shown in the following table:

	Net Earnings $	Earned per share of Preferred $
1929	1,206,200	7.45
1930	12,538	11.92*
1931	349,407*	24.88*
1932	167,543*	16.41*
1933	445,976	1.31*
1934	811,556	2.36
1935	843,911	3.59

*Deficit.

Further Gains Expected

Earnings are still short of the dividend requirements of $6 a share and it is not likely that the management will consider resumption of payments until the company is in a position to earn and maintain dividends.

Prospects of this are not unfavorable. While the report for 1936 will not be available for some time, it is expected that the statement will show $4 a share, if not more, as earned on the preferred.

The difference can be made up readily by refunding the bonded debt at a lower interest rate.

Through operation of the sinking fund, it is understood that at this time General Steel Wares would not have to issue more than $6,750,000 of new bonds to refund the old issue.

If the present interest rate can be reduced from 6% to 4½%, or even less, the company could save at least $100,000 a year in interest charges. This would mean more than $2 a share applicable to the 45,000 shares of preferred outstanding.

This possibility has been appreciated in part by the rise in the market value of the preferred from a low of 45 in 1936 to the current level of 85. Considering the arrears of $42 a share, the stock sells at a substantial discount, which is likely to be translated into capital appreciation as the bond refunding plan, and in turn dividends, draw nearer.

May Wait Till Fall

It is understood that the question of a new bond issue has been considered by the company. So far no official statement has been made as to plans. To call the bonds now would mean paying a premium of 4%. But by waiting till November 1 next, the premium drops to 3%. The saving of 1% on an issue the size of General Steel Wares 6's is considerable, and it is very likely that the bonds will be called before next November.

If there is no change in the money market, the company should have little difficulty in placing a new bond issue on a 4½% basis.

With the saving thus effected and a continued improvement in earnings from recovery, there are definite prospects of the preferred being put back on a paying basis.

Honey Dew Committee To Plan Refinancing

Members of the preferred shareholders' protective committee of Honey Dew Ltd., a group formed over a year ago to revamp the capital structure of the company whose efforts were defeated at that time by common shareholders, will resume their task and submit a new plan to the management.

Meeting in Toronto this week, shareholders discussed proposals to reorganize the capital structure and a committee was formed to draft refinancing proposals and submit these to directors. They will be submitted to shareholders later for their approval.

Canada Dry's New Plants To Cost $100,000 Each

New plants are being built for operations of Canada Dry Ginger Ale Inc. at Philadelphia, Omaha, Pittsburgh and Winnipeg, shareholders were told by R. W. Moore, president, at the annual meeting in New York this week.

The new plants will be operated in conjunction with the company's system of direct deliveries, and will cost about $100,000 each. Expense of the expansion programme may be written off within two years as a result of savings in freight costs, Mr. Moore declared.

Gross Revenues Up— Gross Expenditures Down

It is officially reported that Province of Ontario's gross ordinary revenues have increased and gross ordinary expenditures decreased, resulting in a total improvement of $15,526,466 for the first eight months of the current fiscal year to November 30th.

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Brazilian Traction

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Our statistical department has completed our annual analysis covering all phases of the business and financial recovery of 1936 and forecasting the probable trends for the current year.

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With both the volume of freight and number of passengers carried increasing steadily, the shares of this company appear to present very interesting possibilities at the present time.

	Passenger	Freight and Express
Last 6 Months 1934	2,260	800,000 lbs.
Calendar Year 1935	7,765	2,135,811 lbs.
1st 6 Months 1936	6,670	1,543,248 lbs.

Analysis on Request

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Bond Markets

Other Western Cities Want Lower Interest

High-grade Bonds Slightly Lower — Manitoba, Saskatchewan and Alberta Issues Decline Sharply

Inactivity has pervaded the high-grade bond list, trading being at low ebb and prices easing off slightly.

The recent $20 millions Ontario issue of 2½% and 3% serial bonds has not been as successful as was expected. Yields on the more distant maturities failed to attract investors and as result a portion of the issue still remains to be sold. The previous Ontario issue sold in September was quickly oversubscribed.

Among the utility refunding offerings expected in the near future are issues of Quebec Power, Southern Canada Power and Nova Scotia Light and Power.

Definite announcement that the Dominion Government, at its coming session, will introduce legislation to void the gold clause on bonds has cleared the air somewhat and removed a disturbing factor from the market.

British Columbia issues remain the bright spot of the western provincial list, gains up to two points being recorded.

Alberta bonds declined from three to six points, reflecting market reaction to news that further radical legislation may be introduced at the next session of the legislature.

Fear of possible interest cuts resulted in sharp declines for both Manitoba and Saskatchewan issues. In informed quarters it is believed that a cut in interest will be unavoidable if assistance is not forthcoming from the Federal Government.

Newsprint issues continue to hold the spotlight in the corporation list, Abitibi's 5's advancing a further 7½ points to 91 and M. & O. Paper 6's, 10½ points to 70.

The Dominion Government refunding issue in New York is expected shortly. It is reported that the issue will consist of $35 millions of 2¼% of short term bonds and $50 millions of 3% long term bonds.

Lower Interest

OTHER western cities have lost no time in clamoring for interest reductions following announcement that bondholders have decided to grant lower interest rates to both Calgary and Edmonton in order to alleviate the financial difficulties of these two cities. In inaugural addresses before their respective councils, both Mayor G. C. Miller of Vancouver and Mayor A. C. Ellison of Regina expressed the view that lower interest rates are a necessity.

This is not surprising. The municipal picture has improved in Eastern Canada, but in the West it has been growing steadily worse. In some cases default has been avoided only through manipulation of sinking funds. Others have large sinking fund arrears. Both of these factors are bound to prove a source of irritation in the future, and it is possible that in some cases default has merely been postponed.

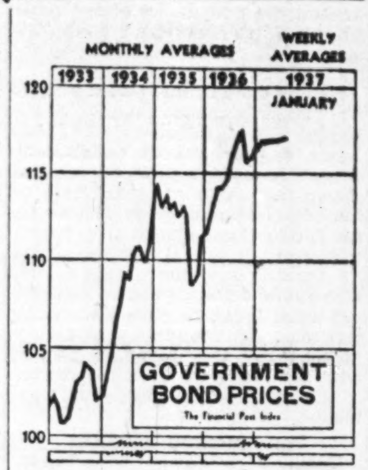
In agreeing to an interest reduction for Calgary and Edmonton in order to help them out of their difficulties and to prevent possible default, bondholders have adopted a sensible course. Adjustments, however, should not stop with these two cities. It would do much to "clear the air" and to aid the West if a study were conducted of the financial position of all western cities which are having difficulty in meeting their obligations, and adjustments made to meet the needs of each particular situation.

* * *

Brazilian Bonds

REFLECTING decided improvement in Brazil's trade returns, bonds of that country have recently recorded a sharp advance despite a local agitation for default on the foreign debt.

Not only has trade improved and coffee prices risen, but there was a steady improvement in revenue during 1936 over budget estimates. Also, the president has refused to pass the 1937 budget unless expenditure is drastically reduced. These signs, together with the check to currency inflation and the creation of a gold reserve, are favorable. In view of the improvement in Brazil's finances, it is reasonable to expect full satisfaction of the 1934 arrangement. Yields are high, ranging up to 10% on state and municipal bonds. Investors, however, must consider the prospects of revision of the scheme from 1938 onward. The yields should be plain enough warning to investors.



Recently there has been considerable speculation in Brazilian and other Latin-American bonds. Impressed by rising commodity prices, speculative operators are turning toward bonds of primary producing countries. The continued possibility of war in Europe has also been a factor.

* * *

Danger of Deficits

SIR JOHN AIRD, president of the Canadian Bank of Commerce, has sounded a timely note of warning as regards the inherent danger of Government deficits. In addressing the annual meeting of shareholders, he had the following to say in this connection:

"Stability of currency is essential to the revival of private constructional or durable enterprises which furnish so much and so productive employment. Such enterprises are financed by the issue of long-term securities to the investing public. As long as national budgets remain unbalanced, with the accompanying currency or credit inflation, uncertainty is bound to persist concerning the future value of the monetary unit. Investors will therefore hesitate to commit their savings to securities maturing in the distant future payable as to principle and interest in currency whose purchasing power may during the long intervening period suffer material decline. The main cause of inflation is unbalanced national budgets. The remedy for inflation is the balancing of these budgets. So long as national budgets show no promise of great improvement, so long will distrust prevail in the minds of investors. Finally, should deficits continue with no prospect of termination, confidence may be entirely lost with consequences with which the history of inflation in many countries has made us all familiar."

* * *

Bond Index

THE trend of the high-grade bond market is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Jan. 12	116.50	3.037	Jan. 13	111.50	3.597
Jan. 11	116.70	3.030	Jan. 11	111.83	3.570
Jan. 9	116.71	3.030	Jan. 10	111.83	3.570
Jan. 8	116.80	3.024	Jan. 9	111.89	3.564
Jan. 7	116.80	3.024	Jan. 8	111.93	3.563
Jan. 6	116.80	3.024	Jan. 7	111.93	3.563
Jan. 5	116.80	3.024	Jan. 6	111.98	3.561
Year's	116.81	3.026	Year's	117.91	2.966
Range	116.70	3.030	Range	111.50	3.597

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1	100
Can. Bread	*6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
Indust. Accept. A	6%	1940	Jan. 25	105
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor C.	4½%	1953	Mar. 1	105
B. C. Power, A	5½%	1960	Mar. 1	104½
Do., series B	5%	1960	Mar. 1	104½
Can. Cons. Rub'r	‡6%	1946	Apr. 1	110
Can. Crushed Stone	6½%	1944	Jan. 15	103
Can. Paper, A	6%	1945	June 4	103½
Dom. Tel. Secs.	†5½%	1978	Feb. 2	100
Regent Knit	6½%	1942	Mar. 1	105
Toronto Carpet	6%	1944	Mar. 1	103
Tonawanda Pap.	5½%	1938	Feb. 1	100½
Do.	5½%	1939	Feb. 1	101
Do.	5½%	1940	Feb. 1	101½
Do.	5½%	1941	Feb. 1	102

For sinking fund: *$100,000. †$2,900. *Maturing from Aug., 1937, to 1956. ‡Private sale between Feb. 1 and April 1, 1937, in Canadian funds.

Stock Issues:

Toronto Elevators	7%	Pref.	Mar. 8	110

Bond Tenders

8 p.m., Jan. 23, Victoriaville—$21,500, 4%, dated Jan. 1, 1937, redeemable serially from Jan. 1, 1938 to Jan. 1, 1957. Wellie Fortier, sec.-treas.

12 noon, Jan. 14, Dominion of Canada Treasury Bills—$25,000,000, dated Jan. 15, 1937, due Apr. 15, 1937. Bank of Canada, Ottawa.

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Position Wanted

YOUNG MAN, 31 years old. Commercial and classic course, desires to work for a broker. Apply D. Soulieres, 4338 Chambord Street, Montreal.

MADE MANAGER

Charles F. Mackenzie, recently appointed Nova Scotia manager of the Canada Permanent Mortgage Corp. and The Canada Permanent Trust Co.

May Readjust Windsor Plan

Bondholders Submit Compromise Plan to City

With the decision of the Ontario Municipal Board on the Windsor refinancing scheme definitely rejected, negotiations are being carried on between the bondholders and the city council. If agreement can be reached between the city and its bondholders it is probable a new proposal will be placed before the Ontario Municipal Board.

Following rejection of the Municipal Board's revisions to the Windsor plan, representatives of bondholders conferred with a Windsor delegation and submitted a compromise plan. While the plan has not been approved by the various committees representing bondholders of Windsor, Walkerville, East Windsor and Sandwich, the "working committee" feels that it will be approved if agreement can be reached with the city.

Interest Rates

Details of the compromise plan are unknown except as it affects interest rates. In this connection it is proposed that the rate on Walkerville bonds should be 4% instead of 4¼% proposed in the original plan and 3% suggested by the Municipal Board; 3¼% on Windsor bonds instead of 3½% proposed in the plan and 3% by the Municipal Board. On East Windsor and Sandwich bonds it is suggested that the rates should remain as in the original plan, namely 2% and 1½% respectively.

While willing to accept a compromise in order to clear the default situation, bondholders still maintain that the original plan represents less than the city's ability to pay.

Carpet Firm Alters Capital

Toronto Carpet To Issue New 6% Preferred and Bonds

Replacement of the existing 8% non-cumulative preferred stock of Toronto Carpet Manufacturing Co. Ltd. with a new 6% non-cumulative but redeemable preferred issue is the main feature of the impending reorganization of the company's capital under an Ontario charter.

A new bond issue, details of which have not been decided, will replace the 6% first mortgage bonds which are being redeemed March 1. New common stock will be issued on a share for share basis with the old common, and basis of exchange for the old preferred will also be share for share.

Reorganization of the capital structure is being made with the purpose of bringing the company's dividend and interest requirements into line with current conditions. It has been paying only 4% on its 8% preferred which is non-cumulative, and the management is understood to hold the view that the new 6% rate can be maintained in regular disbursements. The company was also anxious to be in a position to redeem its preferred if and when such action is considered desirable, and the new issue will therefore be callable at 105.

Toronto Carpet had $699,500 in 6% first mortgage bonds outstanding as at Oct. 1, 1933, in the form of 20-year sinking fund bonds but these have been reduced from time to time and the outstanding balance will be redeemed March 1, leaving the way clear for the new issue now being planned.

There are 8,320 outstanding shares of the old preferred and an equal number of new will be issued for exchange on a share for share basis. New common will consist of 10,000 shares of $100 par value exchangeable share for share with the present 10,000 shares of $100 par value outstanding.

The new preferred carries the same voting rights as the common, similar to the old preferred, but the reduction in rate and the inclusion of the redeemable feature are new. Details of the new bond issue may be determined within the next week.

Tariff Board Grants Free Rubber Entry

Free entry for rubber tires to be used for farm tractors has been granted according to a ruling of the Tariff Board.

The ruling was made on the appeal by the North American Lubrication Company against the Commissioner of Customs ruling that such items were dutiable under a schedule at 22½% British preference, 30% intermediate and 35% general. Another recent Tariff Board ruling is in regard to electro-plated silverware. Previously this item has been entering under two different classifications. The Board ruled the higher classification should apply. The appeal was made by Roden Brothers Ltd. on behalf of the Canadian manufacturers.

Ontario to Retain Income Tax Revenue

Assumes Old Age Pensions and Mothers' Allowance

Ontario municipalities, with the exception of five cities, stand to gain from the decision of the Ontario Government to assume the entire cost of mothers' allowances and the municipal share of old age pensions in lieu of disbursements to the municipalities from the provincial income tax revenue, according to Hon. David Croll, minister of municipal affairs. The five cities which will lose by the arrangement are Toronto, Ottawa, London, Windsor and Brockville.

Going back on its promise to make disbursements to all municipalities from provincial income tax revenue in 1937, the Government has announced it will assume from the municipalities additional social welfare expenditures estimated at $3 millions annually, but at the same time will retain the entire income tax revenue. Income tax disbursements to municipalities in 1936 totalled $2.25 millions so that the additional cost to the Government will be about $775,000.

Toronto Protests

Strong protest of the Government's action has been made by the city of Toronto, which on the basis of mothers' allowance and old age pension expenditures in 1936 and the Government rebate for loss of the income tax levy stands to lose $468,000. The city, however, had estimated that it would receive an additional $353,000 as its share of the provincial income tax in 1937, so that the potential loss is over $800,000. The Government is remaining firm in its stand against compensating the city for this loss.

In some quarters it is felt the Government should compensate the five cities which stand to lose by its action by giving them larger relief grants. In this connection, one municipal authority pointed out to The Financial Post that the Government is actually gaining rather than losing by its action. In 1936 only those municipalities which had levied income taxes received a rebate from the Government. Premier Hepburn, however, promised that all municipalities would receive a disbursement in 1937, and this would have brought the total considerably above the 1936 payment of $2.2 millions. Further, it is expected that income tax revenue will increase in 1937 and subsequent years and that the increase will more than make up for the additional $775,000 burden assumed by the province. It is pointed out that municipal income tax collections of the city of Toronto in 1930 amounted to $2.6 millions.

Effective at Once

The change goes into effect as at Jan. 1, retroactive legislation being planned from the coming session of the Provincial Legislature. Meanwhile, notification is being sent out to all municipalities so that they can prepare their 1937 budgets.

At the present time the Dominion pays 75% of old age pensions, the province 15% and the municipality 10%. Mothers' allowances are borne entirely by the province and the municipalities on a 50-50 basis.

Int. Paper Plan Given Backing

Committee of Directors Is Agreed on Principle of Recapitalization

From Our Own Correspondent

MONTREAL.—Plans for recapitalization of International Paper & Power Co. have been agreed upon in principle by the committee of five directors appointed to consider the plan, but the full directorate has not yet taken formal action.

These general terms, according to the Wall Street Journal, include substitution of a 5% preferred stock for the present 7% cumulative preferred stock, issue of common stock for the accumulation on the present preferred stock and the consolidation of the three classes of common stock into one class.

One of the basic principles of the plan is that because of the accumulations of roughly $40 a share on the 7% preferred stock, this stock is entitled to more than half the equity which would be outstanding after recapitalization. This portion will be between 50 and 55%, it is understood.

This is the percentage of the common stock which the preferred will probably obtain before the exercise of any conversion privilege.

The common stock, on consolidation into one class, will obtain warrants through which the company is likely to obtain $35 millions to $40 millions of new capital. Exercise of these warrants would raise the share of the ultimate equity held by the present common shareholders more than they would have immediately upon recapitalization.

The new preferred stock, it is reported, will be cumulative and will carry a 5% annual dividend.

Shares to be Exchanged

At the end of 1935 there were outstanding 909,830 shares of 7% preferred stock and 3,700 of 6% preferred, or a total of 913,530 shares of both classes.

If one share of new common is given for the dividend accumulations on preferred, and this amounts to 51½% of the total common to be outstanding, it will total roughly 1,773,000 common shares, leaving about 860,000 new common shares to be exchanged for the present 832,293 shares of Class A common, 821,502 shares of Class B common and 2,121,086 shares of Class C common.

In the allocation to the present common stockholders of their part of the new common stock, consideration will be given to the fact that the Class A common stock received dividends until the third quarter of 1930, whereas neither the B nor C common stock received any dividend. Under the present set-up, the Class A common stock is entitled to $12 in dividends after which it and the B stock are entitled to $12, when all class distinctions are removed and the three classes of common share alike. The Class A common received a total of $4.20 in dividends.

Municipal Finances

Brant County, Ont., reports marked improvement in its financial position during 1936. Expenditures for the year were $776 below budget estimates. A final payment of $35,757 was made to the Ontario Government for highway expenditures, $29,363 of this amount being taken from cash on hand and without extra taxation to ratepayers. The debenture debt was reduced by $44,334, leaving outstanding debenture debt at $164,270.

* * *

London, Ont., reports collections of current taxes in 1936 amounted to $2,930,336, or 82.3% of the levy. This is an improvement of about 2% over 1935.

* * *

Regina, Sask., reports that tax collections in 1936 reached 92.3% of the levy, the highest since 1930. Collections of taxes of all kinds totalled $2,170,908 out of a levy of $2,418,349. This compares with a total collection of $2,147,320 in 1935 out of a levy of $2,418,349. Current tax collections in 1936 were only $1,406,640 or 60% of the levy, while in 1935 the total was $1,414,155 or 58.8%.

* * *

Kitchener, Ont. reports a surplus of between $1,000 and $2,000 is indicated for 1936.

* * *

Waterloo County, Ont., expects its 1936 report will show a surplus of not less than $25,000.

* * *

Mount Royal, Que., has announced a reduction in its tax rate for 1937, the general tax rate being cut from 13 to 10 mills and the special general rate from 13 to eight mills. The lighting rate at 15 cents per foot of frontage remains unchanged.

* * *

Sarnia, Ont., reports definite improvement in its position during 1936 as a result of strict economy, elimination of capital expenditures and improved tax collections. Debenture debt was reduced during the year by $180,720. Debenture debt at the end of the year was $1,789,646, a reduction of $621,391 in four years. Relief costs for the year are estimated at $106,000, compared with $122,000 in 1935. The population of the city increased during the past year by 226 to 18,230, the largest in the city's history.

* * *

Jonquiere, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Jan. 1, 1937.

* * *

Winnipeg, Man., will in all probability report a small surplus for 1936, exclusive of relief costs. Collections of current taxes and arrears in 1936, according to Harry C. Thompson, city treasurer, will equal the full levy for the year and make it unnecessary to use any part of the $265,000 included in the budget to cover uncollected taxes. This amount will be available to offset interim appropriations made after the levy was struck. Tax collections for the 11 months ended Nov. 30 totalled $8,897,874, compared with $8,724,662 in the corresponding period of 1935. Net arrears were down from $6,969,735 to $6,251,498.

* * *

Notre-Dame-de-la-Dore Parish, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of June 1 and June 20, 1935.

* * *

New Westminster, B.C., reports marked improvement in its financial position in 1936, receipts totalling $1,143,571, compared with an estimated collection at the beginning of the year of $1,127,688. Current taxes collected amounted to more than 80% of the levy, totalling $366,283. Tax arrears collected were $109,449 and local improvement taxes $41,358.

Expenditures for the year totalled $1,167,020, leaving an over-expenditure of $23,448. This deficit, however, was nearly 50% lower than in 1935. No provision was made for sinking fund payment of $86,106.

Canada Cement Pays Arrears

Better Earnings Result in Distribution to Preferred

From Our Own Correspondent

MONTREAL. — Canada Cement Co. has declared an interim dividend of $1 a share to apply on the arrears of the 6½% preference shares. The dividend is payable on March 20 to shareholders of record February 28 and will be the first payment on the preferred since June 30, 1932.

As at the end of the company's last fiscal year, November 30, arrears on the preference total $29.25 a share.

The current declaration will involve a distribution by the company of $200,869.

Declaration of this payment would indicate that earnings for the past year were on a substantially larger basis than in the year ended Nov. 30, 1935, when the company reported earnings of 19 cents a share on the preferred stock.

Dosco Output Above 1935 Outlook Good

Larger Income Accrues on Debentures — None for Stock

ALL UNITS BUSY

From Our Own Correspondent

MONTREAL. — Dominion Steel and Coal Corp. operations and earnings during 1936 were on a larger scale than in the previous 12 months. While the financial statement will not be available until early in March, it is expected interest payment on the 6¼% participating income bonds for the last half of 1936 will be greater than the 1¾% distributed on the first six months earnings.

For 1935 Dosco's consolidated statement showed a gross income of just under $1.3 million, a gain of about $290,000 over 1934. After various write-offs, there was $349,733 available for interest charges.

Net income on 1936 operations will be larger, but as the company is not paying the full rate on the income debentures, there will be no earnings available on the capital stock, which has lately come in for wider market attention.

Rail Mill Prospects

Business on hand is fairly satisfactory and possibilities for new orders during the year are encouraging.

The Sydney steel plant has on hand orders for about 18,000 tons of rails to roll. About 7,000 tons represent the order recently received from the Canadian Pacific, while the other 11,000 tons constitute the balance of the 50,000-ton order placed by the Canadian National Railways in 1935.

This is not sufficient business to keep the rail mill going for any considerable length of time, but prospects are that additional orders will be placed. The Canadian National has not announced any rail laying plans for 1937, but a fair amount of this work is expected. In that event Dosco will make delivery on the balance of the 1936 contract and the way lies open for the placing of a new order.

The South African rail orders, which figured prominently in last year's operations, have been completed There is a fair prospect that some business will be coming from that source during the current year.

Other Divisions Active

Other departments at Sydney are fairly active, especially the wire and rod mill. The output of other products has been on the increase and indications are that this phase of the iron and steel business will continue unabated throughout 1937.

No figures are available as to earnings from the iron and steel division. As previously pointed out Dosco has taken foreign orders on a very small margin of profit in order to keep the Sydney plant busy while domestic trade was at a low ebb. The domestic business of late has shown signs of improvement, while foreign trade prospects look fair.

Ship More Ore

Operations at Wabana iron ore mines last year were on a larger scale than in 1935, judging by interim reports. Up to the middle of August shipments totalled nearly half a million tons, which was in excess of the 1935 shipments to the same date.

The German contract continues to be disappointing, owing to the difficulty of the German interests in securing sterling exchange wherewith to make payment. Last year's shipments were probably under 100,000 tons, whereas existing contracts call for delivery of 700,000 tons annually. There is a possibility that exports will be somewhat larger this year.

The Ford works at Dagenham took a larger quantity of iron ore last year, shipments up to August 11 having amounted to 40,005 tons compared with 31,862 tons in all of 1935. As with the case of the German contract there is a possibility of heavier shipments this year.

Dominion Coal Busy

Operations of Dosco's subsidiary, Dominion Coal Co., have been good and there is no question of the dividend having been earned on the preferred stock. In 1935 the preferred earned $2.10 a share, as against dividend requirements of $1.50. The report for 1936 should show a healthy increase in preferred stock earnings.

Unofficial estimates are that Dominion Coal's production last year was in the neighborhood of 3.75 million tons, an increase of approximately 500,000 tons over 1935 and the largest output since the peak year of 1929.

Central Canada Sales Heavy

Shipments to St. Lawrence River ports during the past season of navigation totalled 2.2 million tons, or greater than for any other year in the history of the company.

In this connection it is important to note that for the past 18 months Dominion Coal has not received any subvention on shipments into the Quebec market.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Jan. 5	Jan. 6	Jan. 7	Jan. 8	Jan. 9	Jan. 11
U. S. Dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	1.00	1.00	1.00
Low	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	1.00
1936 High	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00⅛
Low	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.00¼	1.00	1.00[illegible]
U. K. pound	4.91¼	4.91	4.91	4.91¼	4.91	4.91⅛
Australia	3.93⅛	3.93	3.93	3.93	3.93	3.93
Austria	.1874½	.1874½	.1874½	.1875	.1870	.1875
Belgium	.1688	.1686½	.1686¼	.1686¾	.1687	.1687½
Brazil	.0600	.0600	.0597	.0600	.0605	.0603
Czechoslovakia	.0350⅜	.0350¼	.0350¼	.0350⅜	.0350⅛	.0349¾
Denmark	.2194	.2193¼	.2192¾	.2194¼	.2192	.2193½
France	.0467¼	.0467	.0467	.0467¼	.0467	.0467
Germany	.4022	.4022¾	.4022¾	.4024	.4024	.4024
Greece	.0094¼	.0094¼	.0090	.0090¼	.0090¼	.0090
Holland	.5474½	.5474¼	.5474¼	.5476	.5476	.5476
Hungary	.1974½	.1974½	.1974½	.1975	.1975	.1980
India	.3723	.3722	.3716¾	.3717	.3717	.3715
Italy	.0526⅜	.0526¼	.0526¼	.0526⅜	.0526⅛	.0526⅜
Japan	.2855	.2854	.2849	.2844	.2850	.2855
Jugoslavia	.0233½	.0233½	.0233⅛	.0233½	.0233½	.0233¼
New Zealand	3.96¼	3.96	3.96	3.96¼	3.95¼	3.96
Norway	.2469	.2467¼	.2468¾	.2470	.2468	.2469½
South Africa	4.90¼	4.90	4.90	4.90¼	....	4.90
Sweden	.2534	.2533¼	.2532¾	.2534	.2532	.2533½
Switzerland	.2298⅛	.2297¾	.2297½	.2298	.2296⅛	.2297
Hong Kong	.3070	.3066	.3066	.3063	.3063	.3062

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Company Reports

Dominion Bridge

Further decline in operating revenues, an increase in income from other sources, and an advance in the volume of uncompleted work on hand, are set out in Dominion Bridge Co.'s annual statement for the year ended Oct. 31, 1936. Net profits available for dividends amount to $91,612 as against $35,233 in 1935 and compare with dividend payments of $616,741 in both years.

The balance sheet shows expenditure on uncompleted contracts, at the end of last October, amounting to $3.7 millions, as against $2 millions at the close of the previous year. In addition materials and supplies on hand increased in value from $1.5 million to over $2 millions. The report shows a continuation of the strong cash position which has been a feature of Dominion Bridge's accounts for several years.

As regards the volume of business handled last year, W. F. Angus, president, said that the orders for industrial buildings, plate and tank work and mechanical work were 126% higher and miscellaneous and warehouse orders were 26% higher. Contracts for commercial buildings amounted to only 20% of those received in 1935.

Income and Surplus Account Year ended Oct. 31

	1936 $	1935 $
Operat. & other inc.	287,019	341,665
Revenue from invest.	249,058	264,122
Profit on bonds sold	149,102	22,280
Total income	665,179	628,067
Less: Directors' fees	19,071	19,069
Executive salaries	62,000	50,400
Legal fees	5,823	5,155
Income taxes	3,259	9,026
Depreciation	503,414	509,185
Net profit	91,612	35,233
Less: Dividends paid	616,741	616,741
Balance	d525,129	d581,508
Previous surplus	2,440,150	3,056,892
Trans. from oper. res.	200,000	200,000
Surp. carried forward	2,115,021	2,440,150

d—Deficit.

Working Capital Position

	1936 $	1935 $
Current assets	8,244,594	8,041,008
Current liabilities	923,625	814,519
Working capital	7,320,969	7,226,489

Canada Vinegars

Canada Vinegars Ltd. reports net earnings of nearly $1.23 a share for the year ended Nov. 30, 1936, compared with slightly over $1.22 in the preceding year, conforming closely to expectations. This covers the dividend of $1.20 a share by a small margin.

C. L. Carsley, president, states that in the first six months of the year sales were satisfactory but that drought conditions affecting the vegetable crops in Canada later "seriously affected the price" of vinegar.

Mr. Carsley points out the major changes in the statement: A write-off of $29,815 which is a non-recurring item representing a decrease in the price at which containers are now charged to customers; a liability of $74,000 representing balance of the purchase price of a Quebec vinegar company; and an increase from $1 to $24,001 in goodwill in connection with the purchase.

Consolidated Income and Surplus Account Years Ended Nov. 30

	1936 $	1935 $
Net earnings*	210,779	203,711
Less: Depreciation	66,845	62,812
Income tax reserve	27,336	24,400
Directors' fees	1,900	2,300
Divds. pd. on pref. shs. of Western Vinegars	1,750	1,750
Net profit	112,948	112,449
Less appropriations: Dividends	110,400	147,200
Surplus for year	2,548	•34,751
Add: Prev. surplus	184,769	219,520
Less: Adj. pr. yrs.	29,816	.....
Balance carried forward	157,901	184,769

*After all costs of operation, management selling and office overhead expenses. •Deficit.

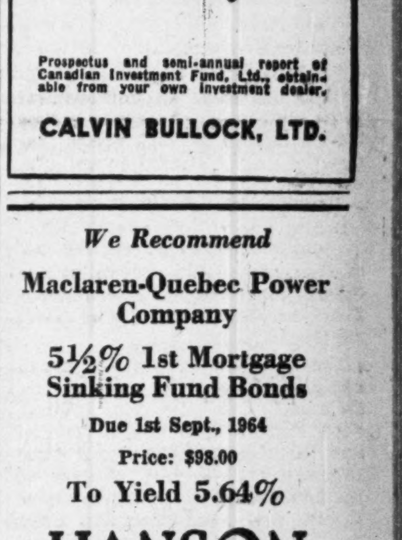
Working Capital

	1936 $	1935 $
Current assets	396,748	356,855
Current liabilities	156,818	118,090
Working capital	239,930	238,765
Ratio	2.53—1	3.02—1

Robt. Mitchell Capital Down

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been taken out by Robert Mitchell Co. covering the write-down of capital from $1,763,714 to $1,050,000, the difference of $713,714 having been lost as unrepresented by available assets. The write-down is distributed pro rata against the issued common stock, the number of shares of which outstanding remains unchanged.



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Dated at Toronto, this 4th day of January, 1937.

By order of the Board of Directors.

EDWARD J. TUCKER,
General Manager.

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TORONTO, JANUARY 16, 1937

Platform for Canada The Financial Post's

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

More Spending Means More Taxes

THERE is no use looking to Ottawa to reduce taxation so long as the Dominion Government keeps on assuming every year a series of new financial burdens. The two propositions are incompatible.

Hardly a week goes by without a plan being advanced by a Provincial Government or a group of citizens whereby one of their problems would be solved by a hand-out from the federal treasury. One week it is an increase in the provincial subsidy, another week it is assumption of the entire cost of old age pensions, a third week something else. The Government is being ridden in some quarters because it is so slow in putting into effect the "Reform Programme" which was legislated in the Government of Mr. Bennett. Aside from constitutional difficulties, such a programme would cost Ottawa scores of millions a year.

Few people realize the extent of the demands now being made upon Ottawa for things which, a few years ago, were not considered government responsibilities at all. War pensions of one sort or another are costing $70 millions. Old age pensions will cost $30 millions this year, on a basis of 75 per cent federal contribution. If the Dominion Government puts up 100 per cent, the annual cost will be over $40 millions. Grants-in-aid to the provinces, for direct relief, still cost over $20 millions a year. Public works in aid of employment, in the eighth year of the depression run to $30 millions or more annually. The carrying cost of the public debt, leaving out the railways, is $130 millions a year. A comprehensive unemployment, health and accident insurance scheme would cost the Dominion some staggering sum annually, no one knows exactly how much. Government annuities have been sold for years at less than cost and threaten to require several millions a year for a long time. These items run up to $350 million dollars a year, which uses up all the revenue the Government has been able to collect from taxes in recent years, high as the levies have been.

The list, however, leaves nothing for civil government, as such, the maintenance of 15 or 20 government departments, government services of all kinds, the research facilities provided for industry, the cost of legislation, and a score of other time-honored functions. Steadily, as time goes on, the portion of the national income available for traditional government services declines, and the portion required for socialistic measures soars. The taxpayer can have low taxes by giving up these additional government services, or he can retain the services by digging down a little deeper every year to meet his tax bills. He cannot possibly have increasing government services and decreasing government levies.

With a current deficit of $100 millions and a bewildering array of new proposals to spend government money, ranging from a modern defense force to a coast-to-coast state-aided housing scheme for industrial workers and farmers, and taking in such incidentals as a $7 millions youth employment scheme, drought rehabilitation, new railway lines and terminals, waterway schemes, farm placement, it is said that the authorities at Ottawa have given up hoping for an early moderating of the tax burden.

The present Government's idea of the way out has been apparent in all of its policies. It is not to worry too much about trying to reduce expenditures through solving the railway problem, enforcing further economies in administration, etc., but to seek to enlarge the national income so that the tax burden will not rest so heavily upon the citizens. To Ottawa, trade and recovery are the universal solvents of all ills.

Trade and recovery are important but an excessive tax burden is a serious deterrent to both of them. Major savings will, in expenditures, still be necessary. Among the ways to reduce the tax burden in Canada are economy, particularly through more efficient relief administration, centralization of governmental services that are now carried on competitively between governments, a period of consolidation of present social services before adding new ones, and an earnest effort to achieve more economical operation of state-owned railways.

What? Roebuck a Judge!!

PREMIER HEPBURN of Ontario, it is said by well-informed political insiders, has reached the end of his patience with his much too radical attorney general, Hon. Arthur W. Roebuck.

It was Mr. Roebuck who led the premier into the unsavory power contract repudiation business. Mr. Hepburn, while disliking to admit that his Government went too far in the matter, is now obviously trying to retreat from the advanced position taken in that dishonorable repudiation and yet to do so with as much grace and with as little loss of political prestige as possible.

It was Mr. Roebuck, too, who showed how it was possible to bar the courts to those who had just claims against the province. It has been Mr. Roebuck whose policies and actions have been calculated to destroy in Ontario the larger law, the larger justice that in all British countries rests upon tradition and public honor and is not written in statutes.

It has been Mr. Roebuck, the attorney general, the custodian of justice in Ontario, who has attempted to make the courts mere tools of government.

One can easily understand why Mr. Hepburn, facing an election, wants to get rid of the man who has thus flaunted the honorable traditions of justice in the province.

What is more difficult to understand is how the public can be expected to accept without protest the suggestion that Mr. Roebuck's banishment should take the form of his elevation to a judgeship. One can imagine what the feelings of some of the older judges in Ontario will be when they are asked to move over and make a place for the man who has shown such scant regard for the place the judiciary occupies as a protector of the people's rights.

If Mr. Roebuck is an embarrassment to Mr. Hepburn, let Mr. Hepburn dispense with his services. But why make him a judge? Surely Ottawa will not agree.

Real Estate and Social Welfare

THERE will be much interest among students of public finance all over Canada in the action of the Ontario Government in assuming the entire cost of mothers' allowances and in taking over the municipal share of old age pensions. In assuming this burden, the province also takes over the entire revenue from income tax other than Dominion income tax.

The heavy burden of taxation on real estate is one of the most serious problems created by the depression. It is a serious barrier to recovery. There is hardly a town or city in Canada that at some time or other during the past seven years has not asked the Provincial and Federal Governments for some form of help, either through additional taxation powers or larger relief grants. The proper solution, however, does not lie in widening the municipal tax base, but rather in reducing municipal expenditures through restriction of responsibilities. Thus, Ontario's action ought, in time, to result in greater centralization of social welfare services and probably in more effective administration.

It was never contemplated that real property should bear the burden of social welfare expenditures such as old age pensions and mothers' allowance. Unemployment relief, on a depression scale, is also another expenditure which is beyond the taxability of real estate to carry.

Unfortunately, however, Ontario's action, while sound in principle, is going to produce new inequities in practice. According to the minister of municipal affairs, only five municipalities will suffer a net loss through the Government's action. The difficulty, however, is that it benefits the smaller and rural municipalities at the expense of those that have the most pressing tax problems today, the cities. The latest available figures show that per capita municipal taxes in Ontario are $21 for townships, $26 for villages, $32 for towns and $48 for cities.

Toronto, already suffering from the highest tax rate in its history, is to be the chief loser. The actual loss to the city on the basis of its 1936 income tax rebate and mothers' allowance and old age pension expenditures is $468,000. The potential loss is over $800,000 annually. Unless the Government changes its mind it will be impossible for the city of Toronto to avoid an increase in its already high tax rate in 1937.

The Financial Post heartily endorses the policy of the Hepburn Government in seeking to balance its budget, and also its announced objective of lower taxation. But the Cabinet can claim no credit for tax reductions of its own that merely lead to tax increases elsewhere.

The new policy and its immediately unfavorable consequences upon the larger and most tax-ridden cities merely emphasizes how urgent is the need for a nation-wide study of expensive duplication of governmental services and taxes.

Just as Good as "Matric"

DEATH-KNELL of the old "matriculation" bogey and substitution of a more balanced system of educational values which would place proper emphasis on technical and industrial training was forecast last week by Duncan McArthur, Ontario's deputy-minister of education, in speaking to a meeting of the Canadian Manufacturers' Association.

Mr. McArthur traced a direct connection between the present dearth of industrial apprentices and the existing system of education. He accused industrial employers of being largely responsible for the popular feeling of inferiority that has grown up around vocational training. Boys who took technical rather than academic training were looked on as inferior—both intellectually and socially. Unless they had a matriculation certificate they found it difficult to obtain suitable employment.

Whether the fault in the past lay with employers or with the educational authorities is now beside the point. The important thing for the future is that one province, at least, is apparently on the threshold of a new and important forward step—a step long overdue in Canada's secondary school system. Under the new plan, which it is hoped will be introduced in the fall of this year, periodic certificates and records of progress will be given all students who subsequently complete two years of high school work regardless of whether they choose academic, industrial or commercial courses. Additional certificates will be given after two more years study and a third certificate at the end of the fifth or sixth year for honor courses.

Alongside these certificates it is hoped to supply "records of progress" covering the accomplishments of the student in sport, in studies, in special work, and with a cumulative estimate of character, aptitude and ability. These, it is believed, will be of infinitely greater value to prospective employers than the old matriculation diploma obtained only by "academic" pupils.

Another important suggestion made by Mr. McArthur was that employers could strengthen the new system by assisting in a plan to enable students to return to educational institutions for further special training and study after they had gained some industrial experience. He cited the Danish experience in this regard which had demonstrated the important benefit to individuals and to the nation at large by treating the educational system as a continuing partner in the life of young people, rather than something to be cast off as soon as industrial opportunity presented itself.

It will take some time for these new ideas to be worked out—for example it will be at least midsummer, 1939, before any pupils will be ready to receive these new educational certificates and 1941 before those with a four-year certificate make their appearance in the industrial market. Meanwhile, industrial employers, not only in Ontario but in other provinces, would be well advised to study the new plan; see how it can be best adapted to their own needs; and, most important of all, begin now to oust the business complex which has for many a long year made it difficult for technically trained students to get the recognition in the employment market that is granted to the boys and girls who have their "matriculation."

Editorials in Brief

"You wouldn't," says Hon. W. D. Euler, Canada's Minister of Trade and Commerce, "stay out of a man's store because you didn't belong to the same church."

Maybe Mr. Euler does not know some folks we have met in Toronto.

• • •

Generous action by I. W. Killam in announcing special retiring allowances for certain members of the staff of the old Toronto Mail and Empire follows the suggestions set forth editorially by The Financial Post some weeks ago. The pity is that this was not done promptly and without backing and filling on the part of the principals as to who should take the responsibility.

• • •

Two or three weeks ago The Globe and Mail, Toronto, vigorously demanded that the Ontario Government retreat from its repudiation policy in regard to Quebec power contracts. Later it explained why it took the stand it did. Since then The Globe and Mail has not again mentioned the subject.

The Globe and Mail's silence now is attracting almost as much attention as its previous electrifying change of front.

• • •

Discussing a possible new lieutenant-governor, a writer in the Nova Scotia Medical Bulletin says there is a rumor that Dr. John G. McDougall may be appointed to the "gubernacular" chair.

The over-pretentious word is often the wrong word. It is in this case. "Gubernacular" has nothing to do with governing in the political sense. The writer apparently intended to use the adjective "gubernatorial," which, however, is only slightly less suggestive of the office of lieutenant-governor.

• • •

C. W. Peterson, editor, Farm and Ranch Review, Calgary, has published a new pamphlet on "Immigration and Its Economic Background." His conclusion is that Canada ought to be thinking more about what a suitable immigration policy can do for us. "There never was a time when a large-scale colonization could be undertaken with a greater promise of success and with smaller capital outlay," he says. Mr. Peterson effectively discusses labor and farm arguments against immigration. New workers coming in do not displace present workers, he shows. It is not the man at work who creates unemployment but idle labor.

Another useful pamphlet on immigration is published by the Saskatchewan Immigration and Settlement Committee. It reproduces four of the practical addresses given at the Saskatoon gathering last September. These are by Prof. W. W. Swanson, Garnet G. Greff, K.C., Kenneth D. Little and Prof. Manley Champlin.

Sayings of the Week

"There is no reason why education against crime should not be a primary factor in the common schools."—*J. Edgar Hoover.*

• • •

"You wouldn't stay out of a man's store because you didn't belong to the same church."—*Hon. W. D. Euler.*

• • •

"Education against crime should be listed as even more important than reading, writing and arithmetic."—*J. Edgar Hoover.*

• • •

"A business cannot continue to exist which turns over all its revenue to one claimant to the exclusion of the others."—*Eugene G. Grace.*

• • •

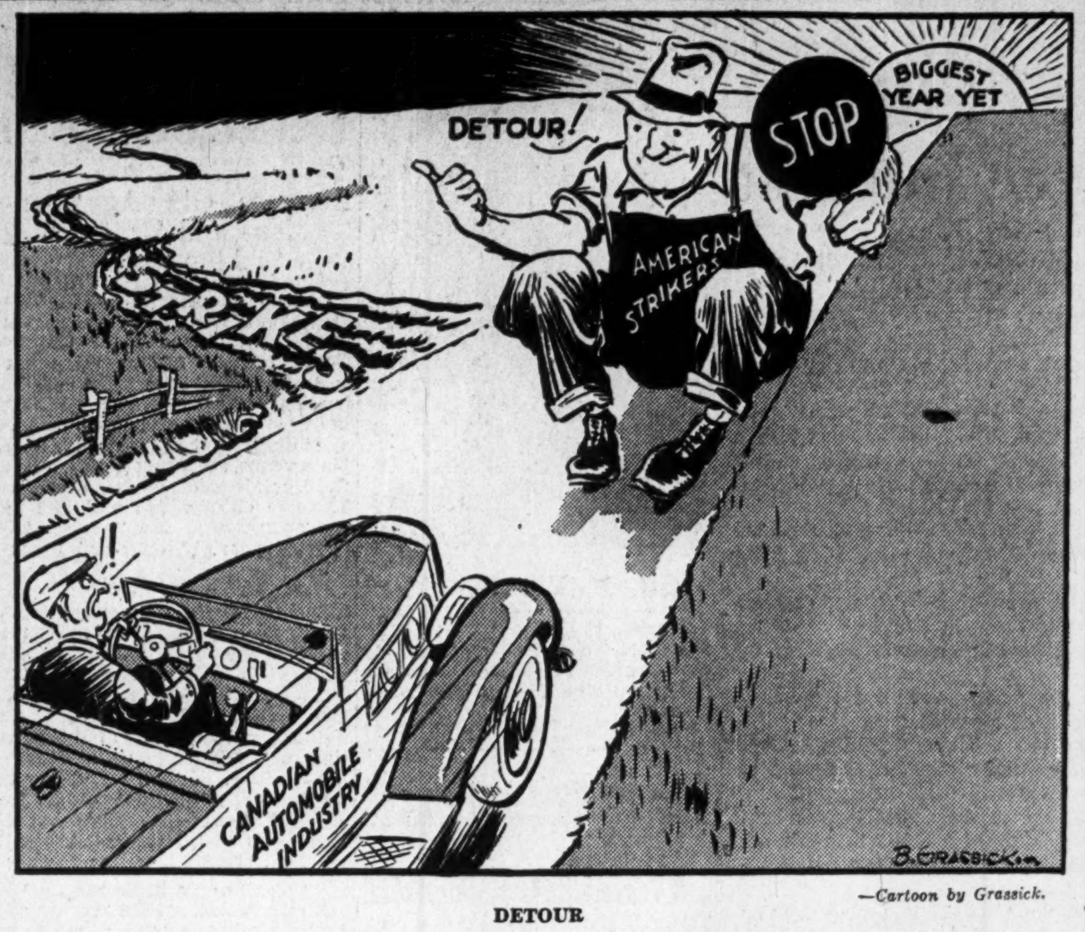
"Fluctuations in employment are tied to all other wasteful fluctuations in our mechanism of production and distribution." — *Franklin D. Roosevelt.*

• • •

"It is plain enough that if a European War breaks out it will be so devastating that for generations to come Europe will be living in another dark age."—*Walter Lippmann.*

• • •

"In the days of Queen Anne newspapers had great writers and small circulations. Now we have large circulations. I am not quite sure how to finish that remark."—*Winston Churchill.*



DETOUR

—*Cartoon by Grassick.*

Canada's Foreign Policy

By ANDRE SIEGFRIED

Famous French author and political commentator. Briefed from an article in The Fortnightly, London. Mr. Siegfried spent some months in Canada recently. His first published book dealt with Canada and he has a new book on Canada coming along shortly.

Being in North America, Canada has only one neighbor, the United States—but what a neighbor! The relations which arise from this fact dominate her entire foreign policy.

This gives a clear insight into the nature of Canadian independence. It is quite obvious that the Dominion cannot defend herself against the United States. Canada is free only so long as relations are friendly, and so she dare not adopt any policy that would be liable to irritate her overwhelming neighbor. It is essential to maintain good relations between the two countries, and this is the cardinal preoccupation of every Canadian Government.

But we should be wrong in our interpretation if we believed that Canada feels that the proximity of the United States is not on the whole advantageous. The protection of the Dominion—and those concerned are under no illusion about it—in no way depends upon the British fleet, but rather upon the immense potential force of the United States.

Taking into account the fraternal relations existing in North America, it is perfectly natural that both countries should feel that it is their duty to adopt a common policy, amounting almost to an alliance, in order to defend the patrimony of their common civilization. Public opinion, arising from this community of interests, is so identical that, on any international question whatever, the spontaneous reaction of both countries is, nine times out of ten exactly the same. It is sometimes said that Canada interprets the United States to Europe, and this is perfectly true. Even when interest or prudence dictates this attitude, however, the Dominion adopts it without pressure and of her own free will.

Relations With Britain

The British connection involves a series of relationships of an entirely different order, which maintain Canada within a non-American system, and oppose an east-west attraction to the trend from North to South. Even though she has become independent, the Dominion cannot do without the Mother Country. It is a question of sentiment, whereas there is none in the case of the relationship with the United States, in spite of the cordiality. It is also a matter of policy, for even though the Empire may not directly provide military security, it confers a prestige which is a form of international security. Then again, England is Canada's best customer; and finally she counterbalances the American colossus, whose physical pressure would otherwise become unbearable. In the political domain this bond with the Old Country is just as important as is the link with the United States in the continental domain. The combination of these two elements is essential to the political existence of Canada, for her independence is made up of the equilibrium which results from this double dependence.

It is not in Canada's interest to upset this equilibrium, but rather that a tacit understanding should maintain it more or less indefinitely. If the first principle of Canadian policy is to keep on friendly terms with the United States, there is another which is not one whit less important, and that is to do everything possible to preserve cordial relations between the United States and England.

Canada's Influence

Canada is thus apt to intervene in Imperial policy, and even more closely in English policy, in order to obtain solutions which are acceptable to the United States.

In this connection it is curious to watch the English attitude. England's chief aim in this connection seems to be to avoid, at all costs, ever placing Canada in the delicate position of having to choose between the United States and England. It is in this spirit that time and again London gives way to Washington.

The rôle of Great Britain in international affairs would be very different if the fear of losing Canada in a dispute with the United States were relegated to second place. The fact that it has been given first place since the war has allowed the Canadian Government on several occasions to wield a decisive influence in the determination of Imperial policy. At certain moments decisions have been taken, less in London and from the English point of view than in Canada and from the American point of view, so that the centre of gravity of the Empire seemed actually to have been displaced.

The most striking example was without doubt, the termination of the Anglo-Japanese alliance in 1921.

In Case of War

When England is at war the Dominion is also. If England is in mortal peril, a Canadian army will intervene to help defend her, as she did during the Great War. There is no formal engagement, however, for the Canadian Parliament is still master of the situation, and will make its own decision. Yet it would be impossible to refuse, for the pressure of the British element in the Dominion would be irresistible and in an explosion of passion would carry all before it. Let us add that in such circumstances the United States would also intervene sooner or later for the same reason, to save Anglo-Saxon civilization from disappearing from the face of the world. Thus the unity of the North American position would reappear in an unexpected form, in spite of all the palaver about neutrality.

If, on the other hand, it is simply a question of an "English" war, of no vital interest to the Empire, the attitude changes completely and the Canadian Government reserves the right to act in conformity with the interests of the Dominion. No doubt there would be a difference of opinion, according to the racial origin of the population and the stage it had reached. The English would say: "Ready, aye, ready!" but the French would explain that the country was being dragged into an English affair which was of no interest to them. The Canadians in general, as well as their Government, whether Conservative or Liberal, would consider that, so long as it was not a matter of life and death they were ready to respect English interests, but that there were also Canadian interests which were equally deserving of attention. So they would lag behind as in the Chanak incident, which was so typical, and incidentally established a precedent.

Reservations re Europe

The Dominion Government confirms its right as a matter of principle, to adopt a policy of "Canada First." It realizes that, as it belongs to the Empire, it is always liable, even in spite of its precautions, to be implicated in some new adventure. Though Canada knows full well that England must worry about and do everything possible to guard her own security, yet she always seems to be suggesting: "Not too much zeal when it comes to Europe!"

Another thing that it is curious to find in this British Dominion is a reflection of the distrust of "perfidious Albion," which is so ingrained in the Americans. British diplomacy enjoys great prestige, but it is also credited with a Machiavellianism of which it would be prudent to beware. Such is, I think, the ulterior motive in the Canadian doctrine which consists of refusing to be lined up behind England, except when she acts in the name of the League of Nations. The Canadians are afraid of being used as pawns.

Being on neighborly terms with the United States, and one of the family in England, Canada seems at first sight to be tarred with a continental provincialism on the one hand, and with an Imperial provincialism on the other. Yet economically she has international vision, for she is obliged to export a large proportion of her raw materials.

Our Other Relations

The double chapter of Canada's relations with England and the United States does not exhaust the problem of her foreign relations. This gives her an international outlook, for it is her duty to preserve somewhere in the world a relic of economic liberalism, which depends in its turn upon the maintenance of peace, not only between England and the United States, but generally throughout the world. In this new series of relationships, which extend beyond the boundaries of the British and North American systems, we must single out Japan, Latin America, and the League of Nations.

Having one boundary on the Pacific Ocean, Canada cannot ignore Japan. She is gradually finding that Japan can be a very satisfactory client if humored a little. Canada has shown that she is not indifferent to the organization of some defense on the Pacific Coast against an eventual aggressor. In actual fact her security depends upon the United States, who would certainly not be indifferent were Japan to violate Canada's territory. This situation is tacitly accepted by the Canadian people, who are ready to leave the matter in the hands of their two great protectors.

Pan-American Relations

Canada's relations with Latin America permit us to measure, with the precision of delicate scales, the quantity of Americanism (in the larger sense of the term) that Canada can absorb. Although invited to become a member of the Pan-American Union, where a place apparently is waiting for her, she has not seen fit to join it, up to the present time. Her Americanism does not go beyond North America, and when it comes to proclaiming her adherence to Pan-Americanism she draws back, owing to her Imperial allegiance.

Geneva occupies an important place in Canadian policy. When Canada obtained her admission as one of the "original members of the League of Nations, signatories of the Peace Treaty," with the right to a separate vote and the possibility of accession to the Council, recognition of her new international status was assured. This satisfied her self-respect, a point on which Canadian opinion is very touchy. Though she is simply a second-grade American power, she obviously has increased her prestige by figuring separately, although in the name of the Empire, in international discussions. In this way she benefits both from being associated with the Imperial community, and also from being separate from it, which is very adroit.

Canada and the League

The assiduity with which she plays her part is largely explained by her eagerness to impress upon others that she is present, for the direct advantages she receives at Geneva are not apparent at first sight. She is not looking at Geneva for security, since that, as we have seen, has already been provided on her own continent, where collective action in the name of the Covenant would not dare interfere. Instead one discerns a desire to contribute to a policy which is aiming at the general peace of the world, from which a country of this type derives an indirect but certain benefit.

The Abyssinian crisis clearly showed that in so far as it is British, the Canadian public reacts to the League of Nations in exactly the same way as does corresponding opinion in England and the United States. But the French-Canadian section, no doubt in a spirit of opposition, acted differently, with the result that the Government, though loyal to its obligations under the Covenant, was careful not to be over-zealous. One cannot help feeling that, although collective security represents a conviction in so far as the Canadians are concerned, it is only a conviction de luxe. Apart from mortal danger to England, the latent temptation to isolate herself in North America is perhaps the real tendency in Canada, and the one that goes deepest.

Drift and Fatalism

Winnipeg Free Press

In its issue of Nov. 14, The Financial Post of Toronto made some very timely remarks about the need for action in the matter of the financial embarrassment of the western provinces, which we herewith quote:

"The present situation is simply this: that if a debt refunding plan is not worked out for the western provinces then the present governments will have great difficulty in holding back the radical forces which will seek to seize the reins of power on the promise that, if they are elected, they will do what Alberta has done: cut bond interest and tell the 'money power' to go to the devil.

"The pattern of the debt refunding is something to be worked out by statesmen and their advisers. The Australian, Newfoundland and British plans are all available as precedents, although not a single one of them is entirely applicable to the Canadian situation. Probably the best ultimate plan may prove to be an exchange of all western bonds for new issues, guaranteed either by the Dominion or by the Dominion in association with the participating provinces. The new issues would bear lower rates of interest. Bondholders would lose in income but gain enormously in security. And the menace of further interest rate reductions of the Aberhartian type would be removed."

The views thus expressed as to the necessity for action and the need for urgency represented with some degree of accuracy, we believe, the attitude at that time of the larger financial interests of Canada toward this problem. The Dominion Government was also thought, at that time, to be inclined toward favorable consideration of some such plan as that suggested. The calling of a conference with the provinces for Dec. 9 was widely, if not universally, regarded as foreshadowing a full consideration of the problem, including plans for its solution. These expectations were not realized. The conference, in slang terms, could be described as a "dud," or a "washout." Particulars of the proceedings are not available, but apparently they consisted of Mr. Dunning looking wise, keeping silent, until the provincial representatives put on their hats and departed.

The representatives of at least some of the provinces departed in the mood of letting things now take their course. This philosophy of drift and fatalism must have been in harmony with a change in the mood of both the financial interests above referred to and the Dominion itself. It is only possible to speculate as to the reason for the change; but it probably has a relation to the betterment in general conditions. Perhaps, it appears to have been reasoned, if nothing is done these provinces, now that things are looking up a bit, will by superhuman efforts relieve us of the need to do anything.

Whatever the reason, both the Dominion and the financial interests are now content to take a chance and to let things ride. The consequences of this policy of do nothing and drift will be what they will be, without regard to the expectations and hopes of interested parties.

What they are likely to be, is foreshadowed in the quotation from The Financial Post. When they arrive, it is to be hoped that they will be accepted by the Dominion Government and the financial interests in the mood of philosophic calm in which they now seem to lie entranced.

Post-Scripts

Where Is Elmer?

ELMER is a small, mouse-like fellow. Self-effacing, timid, he goes through life demanding but little of this world. He has one pleasure, his noonday meal. Around this he built up an elaborate ritual which became part of his daily life. One day life changed for Elmer. This is his story.

For months on end Elmer had his luncheon at one of Montreal's departmental stores. Every morning at 11 o'clock he would telephone the dietitian to discuss the menu with her. Seriously they would go over the list until they came to Elmer's favorite luncheon. At this point Elmer would either commend the selection, or perhaps he would gently suggest one, maybe two, changes.

Promptly at the noon-hour Elmer would put in his appearance at the dining room, where he sat at the same table and was served by his favorite waitress.

Life was a thing of beauty for Elmer until the day he found the ice cream a bit soft.

Did he complain? A thousand times no! Instead he went to the adjustment bureau. There Elmer told his tale and pocketed a refund of 10 cents.

The next day Elmer did not make his usual appearance in the restaurant. Nor the next. A week went by and the waitresses looked in vain for Elmer. He had become an institution and enquiries were made to find out what had happened to him.

The dietitian said Elmer had not varied his routine. Regularly he telephoned to discuss the menu.

The next step in the enquiry brought to light the fact that every day Elmer came to the restaurant, went as far as the check-room, looked around and then went out.

But ever since Elmer secured the 10-cent refund on his ice cream, he has neither occupied his favorite table nor partaken of the luncheon which he so zealously discusses with the dietitian.

Folks in Finance

Sergeant Major

H. RUPERT BAIN, Toronto stock broker and mining financier, who has taken over the National Life and been elected its president, was once a company sergeant major. He fell far short of the movie version of a sergeant major for instead of being rough, rude and ruthless he was crisp, correct and courteous.

His unit was the First Canadian Tank Battalion. Organized when the war looked blackest but was in reality nearing its close, this unit gathered together young men from the high schools and colleges of Canada and sent them to England to learn the new art of tank warfare. The battalion was officered very largely by veterans who had seen service in France but most of the "other ranks" were youths of 18 to 20 who, like Mr. Bain, were mere boys when the war broke out. The average age of the men in the battalion was the lowest of any unit that went overseas—23.

Months of highly technical training on the muddy heaths of Dorsetshire made expert gunners, revolver shots, machine gunners, automobile mechanics and tank drivers out of the men in the battalion. By the time they were ready for France the war was over.

Among C.S.M. Bain's associates were men who have achieved much prominence in finance and business, such as Lieut. Paul Gouin, lately heard of in Quebec politics; Lieut. D. A. MacGibbon, of the Board of Grain Commissioners; Capt. Hugh J. McLaughlin, K.C., Toronto lawyer; Private Morley Smith, president of the Canadian Chain Store Association; Company Sergeant Major Duncan S. Blaikie, Montreal advertising agency head; Capt. D. D. MacLeod, of Aird, MacLeod and Co., investment dealers, Toronto; Sergeant Ian Strachan, member of the Ontario Legislature for a Toronto seat; Lieut. Roy Courtice, of the Toronto General Trusts Corporation and hon. treasurer of the Canadian Club of Toronto, not to mention many eminent surgeons, dentists, preachers and university professors.

Only criticism any of these men were ever heard to make of Sergeant Major Bain was that he was punctual to a fault; he always had his men on parade several long minutes before Major "Smoots" Mavor, now of Ottawa, was ready to take them over.

Stop Me If You've Heard This One . .

It was an ideal day for golf. The members had turned up in large numbers at the club. Thompson was among them.

"Hello; I thought you said you wouldn't be able to turn up today," said one of his friends.

"It was a near thing, my boy," he replied. "I tossed up to see whether I should take the wife out or come here, and believe me, it took five spins before it would come out right."

Week in Business

Durable Goods Firms See Bright Prospects

Leaders in Canadian Heavy Industries Look for Substantial Gains in 1937 — World Trade and Recovery

Some more light on business prospects in 1937 is given this week in a special survey undertaken by the Technical Papers Division of MacLean Publishing Co. Although the facts were obtained in confidence they give important information as to actual percentage gains expected by representative firms in the durable goods fields. Furthermore the survey makes very cheerful reading.

* * *

Large Gains Expected

Office equipment manufacturers in Canada look for a 15 per cent increase in sales; domestic electrical equipment makers a 20 per cent gain, with the same for industrial electrical equipment. The pump, boiler and compressor manufacturers anticipate a substantial increase in equipment purchases; aircraft makers a 25 per cent gain, and the agricultural implement producers, in spite of the hazards of prophecy in their line anticipate a continuance of the increase which began in 1934 and has been maintained fairly constantly since that time.

Conveying and transmission equipment makers see a 15 per cent increase in business, and several other manufacturers of miscellaneous lines, while not able to reduce their beliefs to figures, are emphatic the outlook is good. Particularly encouraging is confirmation from high executives of the railway lines of the stories that they will spend large sums in equipment this year. With shops already operating on a scale much greater than a year ago, and with a big volume of construction and maintenance work planned for them, the productive facilities of the two lines will be kept busy. In addition, builders of rolling stock will be delighted with substantial orders.

* * *

World Trade

Tying business recovery to the broader picture of world trade, the quarterly survey of the International Chamber of Commerce shows Canada well in the lead among countries enjoying increased foreign sales during 1936. The figures cover the first nine months of the year and show Canada ranked fourth in percentage gain of exports as compared with corresponding figures for the same period in 1935. The gain for Canada was 21.3 per cent. Countries with a larger increase were New Zealand and China, 28 per cent and Belgium, 26.6 per cent. Only 6 out of 33 countries (including France and Russia) show smaller exports.

In respect of imports, Canada stands 17th, with a gain of 11.9 per cent. The largest gain is in Russia with an increase of 32 per cent. Among the seven countries showing lower imports the most notable is Argentina which reports a shrinkage of 15.5 per cent.

* * *

Industrial Recovery

As to industrial recovery in leading nations, figures published in the current issue of the League of Nations Monthly Bulletin show Canada ranked seventh among world countries when current indices of production are compared with the same month in the preceding year.

Russia tops the list with a gain of 31.5 per cent, followed by Finland, 16.6 per cent; United States, 14.8 per cent. The Canadian increase is given as 13.2 per cent. The gain in United Kingdom is 10 per cent.

The indices are all on a basis of 1929 equalling 100 and show 10 countries with industrial volume now higher than in 1929. In Canada the current figure is three per cent below the 1929 mark, namely 97.2. The Russian figure is the most impressive at 357. United States is still below at 91.6, while U.K. is over the top at 113.4.

Favorable

Carloadings for the week ending Jan. 2 will be "orphaned," that is, they will be included neither in 1936 nor 1937. The reason is to "even up" comparative weekly figures with previous years. A similar adjustment was made in 1932. The weekly totals on most items continued the favorable trend of the last few months of 1936.

Unfavorable

November flour production was again lower than the same month last year.

Boot and shoe production was seasonally lower by 17% but was 6% below corresponding figures in November, 1935.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest — 1937	1936	— Cumulative Total — Jan. 1 to date 1937	1936
Transportation—				
Car loadings (Jan. 2)	▲37,290	34,458	......	......
C.N.R. gross earn. (Jan. 7)	$ ▲2,915,481	$ 2,584,318	......	......
C.P.R. gross earn. (Jan. 7)	$ ▲2,243,000	$ 2,016,000	......	......
Business Conditions—				
Weekly index D.B.S. (Jan. 2, '37)	▲115.2	116.6	100.1	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions				
Financial Post index (Nov.)	118.5	106.7	......	......
Transportation—				
C.P.R. net revenue (Nov.)	$ 3,538,651	$ 3,455,408	$ 19,769,303	$ 19,091,510
C.N.R. net revenue (Nov.)	$ 2,383,271	$ 2,329,155	$ 12,227,251	$ 12,091,780
Iron and Steel (November)—				
Pig iron production (tons)	74,337	64,562	610,173	529,147
Steel ingots and castings prod. (tons)	98,534	94,074	1,010,598	836,794
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Nov.)	5,373	5,201	84,620	77,998
Factory output (Nov.)	10,086	12,042	114,766	128,374
Trucks and Buses:				
Domestic sales* (Nov.)	618	814	19,417	17,377
Factory output (Nov.)	726	1,454	27,145	30,848
Exports (Nov.)	5,161	5,601	51,860	59,021
Construction—				
Building permits (Nov.)	$ 3,030,425	$ 3,447,653	$ 36,584,168	$ 44,158,767
Contracts awarded (Dec.)	$ 6,118,800	$ 4,364,900	$ 162,588,000	$ 160,305,000
Newsprint (tons)—				
Production (Nov.)	285,771	262,854	2,890,602	2,507,983
Exports, tons (Nov.)	295,832	244,037	2,706,850	2,297,244
Sugar (lb.)—				
Melting & sales§ (raw)	98,015,822	97,102,444	881,511,909	813,173,926
Manufactured§	157,483,110	137,439,534	959,927,834	891,945,739
Flour (bbls.)—				
Production (Nov.)	▲1,459,388	1,603,803	13,867,478	13,251,583
Wheat flour exports (Nov.)	408,653	525,368	4,374,789	4,437,189
Trade—				
Retail trade (index no. of sales) (November)	76.6	72.5	......	......
Imports (November)	$ 66,169,416	$ 55,958,033	$ 582,194,350	$ 511,745,369
Exports (November)	$ 122,866,120	$ 95,685,286	$ 928,495,289	$ 759,098,557
Wheat exports (bush.) (Nov.)	33,308,840	26,575,296	222,603,614	148,628,829
Employment, D.B.S. Index (Dec. 1)—				
All industries	110.1	104.6	......	......
Manufacturing (Nov. 1)	107.7	103.5	......	......
Electric Power Output (Nov.)—				
Total monthly m.k.h. (000's omitted)	2,261,090	2,143,314	23,167,895	21,247,887
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (November)	173,447	121,444	1,496,293	1,228,208
Boot & shoe prod., pr. (Nov.)	▲1,602,330	1,706,149	20,348,589	20,146,700
Crude petrol., imp. gal. (Nov.)	146,192,036	137,399,424	1,184,094,133	1,119,154,496
Cotton imports, lb. (Nov.)	21,105,486	13,814,244	129,444,442	107,433,529
Raw rubber imp., lb. (Nov.)	9,649,176	9,832,033	60,148,707	54,443,440
Coal imports, tons (Nov.)	1,598,094	1,360,058	12,637,744	12,205,440
Finance—				
Bank debits (Nov.)	$ 3,302,562	$ 3,021,511	$ 32,524,015	$ 28,613,763
Bond sales (Nov.)	$ 48,870,271	$ 147,733,500	$1,184,495,796	$ 865,215,890
Life insurance sales (Nov.)	$ 37,813,000	$ 35,158,000	$ 340,215,000	$ 332,836,000
Automobile Financing (Nov.)—				
Used cars	$ 1,302,562	$ 1,050,592	$ 23,167,591	$ 16,989,584
New cars	$ 1,448,743	$ 1,242,813	$ 27,512,798	$ 21,125,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to November 30.

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Saint John in Arms When Steamers Overlook Port

From Our Own Correspondent

SAINT JOHN, N.B.—Ever present behind the scenes, the rivalry between the two national ports in the Maritime Provinces—Saint John and Halifax—has burst into the open once more.

Core of the conflict this time is the Montreal-Australia-New Zealand Line service in which are engaged the ships formerly owned by the Canadian Government Merchant Marine, which were purchased from the Federal Government by Ellerman & Bucknall Steamship Company, Ltd., Commonwealth and Dominion Line, Ltd., and the New Zealand Shipping Co., Ltd.

Wording Vague

The contract covering the sale of the vessels stipulated the Australia-New Zealand service should operate from Montreal in the summer and from Maritime "ports" in the winter. The fact that the contract stated "ports," rather than Halifax or Saint John, was interpreted in Saint John as meaning that the two ports should be used.

Before the St. Lawrence closed owners of the service drew up a winter schedule dividing the sailings between Saint John and Halifax, but shortly afterward, the schedule was revised so that all the sailings were to be from Halifax, Saint John receiving none of them.

Claiming this was violation of a contract, a Saint John delegation waited on Hon. C. D. Howe, minister of transport, and Hon. Norman Rogers, minister of labor, at Ottawa. That was early in December.

Hears From Minister

Mayor MacLaren has now received from Mr. Howe an answer to the requests of the delegation which he describes as "unsatisfactory." It is that the transport minister has been unable to arrange with the owners of the line to divide their sailings, giving Saint John a share.

Meanwhile the Saint John Board of Trade is renewing protests concerning "discrimination" against the port of Saint John.

Formerly from Saint John, these sailings were given to Halifax when Saint John's facilities were destroyed by fire, with the promise that when the wharves were rebuilt the service would be restored. That was in 1931. Saint John's port units have been so improved that they are far more adequate than at any time in the past but Halifax still has the Australia-New Zealand service.

Background of Business

Wage Rates Show Gain In Three Key Trades

Canada Ranks First in Tourist Trade — Standard Tins Must Carry Weight Figures

Wage rates in 1936 for key groups of Canadian workers returned to the highest point since 1932 according to preliminary figures prepared for The Financial Post by the Department of Labor, Ottawa.

Complete figures are not yet available except for miscellaneous factory trades, steam railways, building trades and metal workers. All of these show higher wage rates during the year with the exception of steam railways which remained unchanged after the sharp increase of 1935. In the case of miscellaneous factory trades the increase brought the index back to the highest point since 1931.

An interesting feature of the new tabulation is that the rates this year have been compiled on the basis 1926 equals 100 as compared with the previous base year of 1913. This permits more ready comparison with wages in the peak years and also with the so-called "normal" year, 1926. Comparative figures for the trade for which 1936 data are available, follow:

Index Numbers of Rates of Wages for Certain Classes of Labor in Canada
(1926 = 100)

	Misc. Factory Trades	Steam Railways	Building Trades	Metal Trades
1927	101.4	106.4	104.2	100.4
1928	102.1	106.4	107.8	101.5
1929	102.7	109.6	114.8	104.1
1930	102.8	109.6	118.1	105.2
1931	100.3	106.9	113.7	103.1
1932	93.7	98.7	103.5	98.5
1933	89.3	96.4	91.8	95.5
1934	91.8	93.2	89.8	94.7
1935	93.9	98.7	92.9	95.6
1936	96.0	98.7	93.4	96.0

* * *

Tourist "Tops"

New tourist trade figures issued by the League of Nations show Canada to be No. 1 ranking nation in respect of tourist income in 1935. In that year Canada is reported to have received from foreign tourists $119.5 millions, the highest figure for any country for which figures are available. Receipts by the U. S. in the same year were but $69 millions.

United Kingdom figures are notoriously poor, the only record being for tourists entering the country from Continental Europe and who spent approximately $2 millions. French figures are not shown in detail but it is evident that Canada's tourist picture was a more favorable one since in 1935 the net balance of receipts over payments was $72.6 millions for Canada compared with only $29.4 millions for France. Corresponding figures for 1929 were $186 millions for Canada and $333 millions for France.

* * *

Cheaper To Fly

Postage revenue on mails carried by air is estimated for fiscal year ending March 31, 1936, at $533,000 compared with costs of $275,971. According to these figures air mail service in Canada has proved actually cheaper as well as speedier and more convenient than the ordinary mail service. This is explained in part by the substantial increase in volume following introduction of the service and to the fact that air mail routes now in existence are largely to outposts where communication was formerly slow and costly.

* * *

Tobacco Suit

Further details of the suit being brought against the so-called tobacco "combine" by a Toronto retailer were disclosed when the case appeared in the Toronto courts recently.

An interim injunction was secured by Peter Gordon, the Toronto tobacco dealer, preventing Imperial Tobacco Sales Co., Tuckett Ltd., and other tobacco manufacturers and distributors from "blacklisting" his name and preventing him from securing supplies.

The injunction will automatically expire in two weeks time when, no doubt, says Canadian Grocer, application will again be made for renewal and also from time to time until the merits of the case proper come before the Supreme Court for consideration.

The action made under section 498 of the Criminal Code is against Imperial Tobacco Sales Co. of Canada, Tuckett Ltd., McAulay Brothers Ltd., Mutual Supply Co., Ltd., Consumers' Wholesale Tobacconists and Importers Ltd., Royal Canadian Tobacco Co., Morris Platt, Edward Workin and P. Bruce Scott. It is alleged these firms are either associated with or members of the Ontario Wholesale Tobacco Distributors Association of which Mr. Scott is secretary.

Harold Shapley, counsel for the Imperial Tobacco Sales Co. of Canada and Tuckett Ltd., pleaded that no actionable wrong had been committed against Gordon. He said his two clients, while associated, were not members of the Association.

* * *

Weight on Tins

An order has been issued that in future, standard tin can containers must bear the net weight of the contents on the label as well as non-standard cans, says Canadian Grocer. Leading canners recently voted in favor of this change.

While it affects all labels after Jan. 1, 1937, supplies for standard containers now printed are exempt up to the end of this year from the declaration of net weight. The new ruling applies to semi-solids as well as solids and too there will be no necessity in future to show drained weight. There are also definite requirements as to the size of the type showing the net weight.

* * *

Colored Aluminum

A new industry is being established in Birmingham, England, for working a process by means of which aluminum can be dyed in permanent colors, says Hardware and Metal, Toronto. Although aluminum has been colored previously, the process to be carried on in Birmingham is said to be new.

The process is electrical and gives a protective covering to the aluminum, which becomes an integral part of the metal, and is not in the form of a deposit as in chromium plating. Aluminum treated by this process becomes insulated against electrical current up to 500 volts, and it will not corrode, reports state.

* * *

Port of Montreal

Ocean shipping at Montreal last season rose to its highest mark since 1928 and recorded the third greatest year in the history of the port.

The total net tonnage of vessels entered at the port warden's office increased by 552,369 tons over 1935—the figure including ships from overseas and from Gulf and lower river ports.

Cargo shipments from Montreal to overseas ports showed a like gain. Of 31 items shown on the outward manifests of vessels, 21 registered increased shipments over 1935, with wheat the biggest single item. A total of 57,528,649 bushels of wheat was cleared, a gain of 29,355,068 bushels.

This big jump in grain shipments was reflected in the number of tramp steamers which carried full cargoes out of the port. A total of 201 cleared, showing an increase of 138 vessels over the previous year.

* * *

Crow's Nest Prospects

Wide variation is reported in trade and general business conditions in the Crow's Nest Pass area of southern Alberta during 1936.

In the western section of the Pass area, which is dependent wholly on the product of the coal mines in Bellevue, Hillcrest, Blairmore and Coleman, trade has been better than in 1935, says Calgary Herald. Tonnage produced by the mines is a little in excess of the 1935 production, when approximately 1,300,000 tons of coal was shipped from the mines. Number of days worked by the miners exceeded the number of days worked in 1935, Coleman and Hillcrest getting in the most working days, while Blairmore and Bellevue worked the same number of days in 1935.

Towns in the eastern part of the Pass, located near the prairie, as far east as Pincher Creek, reported trade and general business conditions from fair to poor.

This area is an agricultural district, and due to the long dry and hot summer experienced during 1936, crop returns were poor, farmers in many instances harvesting as low as five bushels of wheat to the acre, although the one bright spot, strip and summer-fallowed farms, yielded better crops.

* * *

Prairie Water Projects

Some 1,616 water conservation projects of a minor nature have been completed so far under the Prairie Farm Rehabilitation Act. Of these over 600 are located in Saskatchewan, the great majority being dugouts and small dams suitable for stock watering purposes, but several large dams and various projects for land irrigation also have been undertaken and most of these are nearing completion.

Relief Crisis Approaches in Cities of N. B.

Municipalities Feel Pinch of Carrying Relief Burden

From Our Own Correspondent

SAINT JOHN, N.B.—Statements made at Montreal by Premier Dysart, that New Brunswick is the first province to "go off relief," are termed "ridiculous" by Councillor George E. Barbour of Saint John. Councillor Barbour told the city council he did not understand how the Premier could make such a claim in the face of figures showing the amount which relief is still costing New Brunswick municipalities, even though the province has not been contributing for the last few months.

Indignant criticism of the Government's stand on the relief question has now broken into the open. For weeks it was muffled. This was in compliance with Mr. Dysart's wish.

Hits at Newspapers

It was impossible for him, however, to keep mention of the situation from creeping into the newspapers. He countered by accusing them of keeping the question constantly before the public and asserted that every newspaper in the province was trying to hinder him getting rid of the relief problem.

An accountant, A. B. MacKinnon, has been loaned to Saint John by the Provincial Government to aid in a survey of the situation. He has announced he will personally call on each family on relief. There are between 1,100 and 1,200 calls to be made and it will be some weeks before he finishes his task.

Government contributions toward relief in New Brunswick terminated in the early fall. Provincial road development projects were intensified at that time with the view of absorbing the unemployed. This programme did take care of quite a number of jobless—550 in the Saint John area, for instance—but hundreds were still left to be cared for. The men on the roads received $2 a day and were unable to put anything aside for the winter. Now the road jobs have ended.

On Our Resources

Saint John today has as many unemployed as at the depth of the depression and the municipality has to provide relief for these from its own resources where formerly 75% of the cost was borne by province and Dominion. The province still gets grants-in-aid from Ottawa but no longer passes these on.

Through the fall the city spent upward of $200,000 on its own relief projects although City Comptroller Arthur C. Burk and City Chamberlain A. G. McMulkin had repeatedly counselled against capital expenditures.

The situation is now that the city's bankers have, it is said, advised the municipality of the City and County of Saint John that it cannot spend for relief more than $10,000 a month.

This is far from enough to meet the need.

"A lot of people are actually in want," according to Councillor James A. Whitebone of Saint John. "Something has to be done and done quickly."

He predicts that further delay in facing the issue squarely will lead to "a very serious situation."

People Said in Want

Meantime Moncton, second largest New Brunswick city, also faces a relief problem which threatens its finances and cannot be borne indefinitely.

And the appeals which the Saint John council has directed to the Premier have, up until now, met with a reception which Mayor D. L. MacLaren states would lead to the belief that "the Government is merely stalling for time."

25 Cents a Ton Charged for Coal

Farmers in the municipal district of Progress, Alberta, have paid 25 cents a ton for their winter's supply of coal this year.

At the same time a substantial amount has been written off in back taxes in the district as a result of a "mining" project which gave several weeks employment to pick and shovel men and teamsters.

On a farm within the boundaries of the municipality was found a seam of soft coal about five to six feet thick lying about ten feet from the surface. The coal, while not ordinarily marketable, was found to provide a good domestic fuel.

With the permission of the Alberta Minister of Municipal Affairs, the council employed a gang of men and teams to strip the land of surface soil, paying them in credits on back taxes.

In three weeks about half an acre of land was stripped and farmers, armed with pick and shovel, invaded the "mine." For each ton that he carted away the farmer was assessed 25 cents to cover royalties and the cost of surface and mineral rights.

Newfoundland Notes

The Department of Natural Resources has been reorganized, with administration of mines and tourist trade transferred to the Department of Public Utilities, and the remainder of the work divided between two departments, one of the same name, the other the department of rural reconstruction. The latter two departments will continue under the jurisdiction of the commissioner for natural resources.

Under rural reconstruction agriculture, co-operation and land settlement will be administered. Natural resources will include fisheries, forests, rangers and surveys.

* * *

A 5% wage increase was received by employees of the International Power & Paper Co., Newfoundland, effective as from Dec. 1. Employees of the Wabana Ore Mines and the Port aux Port Limestone quarries have also been notified of a 7½% increase.

* * *

A much brighter outlook faces the salt codfish trade, in respect to both demand and price. In Brazil, Greece, Portugal and the West Indies stocks are reported very scanty, with prices indicating strength. Demand from Italy has been brisk but exporters are wary of making commitments until means of payment are less problematic.

Increased demand is apparent in low and medium grade fish. There has been little activity in the higher quality cod, most of which formerly found a market in Spain.

* * *

"Export markets for dried fish continue firm," states the Bank of Montreal monthly review in summarizing conditions in Newfoundland, "with higher prices anticipated."

Packing of Scotch cure herring in the Bay of Islands has practically ceased; the production was about 11,000 barrels as against 17,600 last year. Prices opened approximately the same as last year but prospects of foreign competition are said to have disorganized the market and demand is light.

"The paper mills, and the mine at Buchans, continue to operate at capacity. Government revenue for November was $799,140, of which customs amounted to $643,054, as against $973,457 and $775,217, respectively, last year."

* * *

Messrs. Chr. Salvesen & Co., of Leith, Scotland, one of the largest whaling concerns in the world, is stated to have acquired a controlling interest in the Newfoundland Whaling Co.

* * *

Island Timber Co. was recently incorporated with capital of $75,000.

Individual Investment Requirements

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Rail Travel Double 1935

More Canadians Holidaying in California and Florida

Convincing evidence that Canadians are again enjoying incomes which allow a winter vacation is seen in the fact that railway passenger travel from Canada to Florida and California this winter is exactly double the volume of similar passenger traffic a year ago.

Figures to date indicate the surprising increase in winter vacation traffic, but the season is still in its early stages and the comparison with last year may be even more impressive before the peak of the season is passed. California is leading in popularity among Canadian vacationists at the moment, but this is due to seasonal factors, and it is expected that Florida will experience a greater influx of Canadians around the end of January. Most of the traffic to California is moving via Chicago and Vancouver according to Canadian Pacific Railway officials.

Improved business conditions are credited entirely with the increased movement of passengers over the Canadian railways since there has been no important reduction in fares since a year ago.

Miami is Mecca For Air Travel

Florida City Maintains Fast Plane Service With North

Miami can thank development of air travel for much of its popularity among winter visitors from Canada.

The story goes back to 1911 when the Miami Board of Trade brought Howard Gill, a noted pioneer air pilot, to the city, with the first airplane Miami had ever seen. About the same time, Barney Oldfield was setting up new world's records for automobiles along the smooth beach at Daytona, but it was Miami that led in development of air travel and as a terminus for airplane passenger service.

Today Miami is terminus for two great aviation services, the Eastern Air Lines and Pan American, and a further stimulus to aviation as a sport for winter vacationists is the sight of U. S. army, navy and marine corps 'planes flying daily from the training bases.

The city has more than kept pace with other centres as a flying community and the sight of big 40-passenger air clippers, circling into their air lanes to Havana, Nassau, San Juan, Rio, Buenos Aires and other cities of Central and South America, is a daily occurrence.

From the northern states and Canadian border points 'planes operate a constant passenger service that has done much to popularize the Miami area as a destination of distant visitors. By the few hours required for the journey Miami is placed within easy reach of Buffalo and other airport terminals within a reasonable distance of Canadian centres. Sleek 'planes purr into Miami day and night from these points, guided by beams and radio beacons to a landing among the palms, their wheels probably last touching a snow-covered field in the north.

$1 Million a Year

By 1930, aviation had become "big business" in Miami, but seven years later it is still growing and Eastern Air Lines alone spends $40,000 a month in Miami alone. Pan American has a Miami payroll of $55,000 and the general aviation payroll for the area is well over $1 million a year.

Small charter ships are available to Canadian visitors, by which it is possible to fly almost anywhere from Miami on a few hours notice. The larger lines will carry a visitor to New York in eight hours, to Chicago in less than nine hours and to Mexico City between dawn and darkness. Flights can also be arranged between Miami and Panama and to Colombia, South America, in a day's flying time.

Canad... who prefer hotel life amid scenes of tropical beauty, as a relatively restful winter holiday, find much to delight them at Constant Springs Hotel in Jamaica (top) and an equally popular resort is shown (centre) in the bathing beach at Hog Island, British West Indies. Golfers may combine the pleasure of their favorite game with sea bathing and boating in Bermuda (lower) at the Belmont Manor.

Bermuda's Crystal Cave Now Lit by Electricity

Bermuda's great Crystal Cave is one of the most astonishing sights of any trip to the island, and the giant stalactites range from the size of a needle to great columns as wide as a tree. All hang from the roof of the cave which was discovered by two native boys playing on the hillside.

They happened to move a large stone, and uncovered a hole of great depth which they descended to find themselves in the now famous cave. The striking effect of the stalactites is now further enhanced by electrical illumination. Stalagmites, counterparts of the stalactites, can be seen rising from the bottom of the cave through the water.

OFF FOR WEST INDIES

Canadians cruising the West Indies in the Canadian Pacific liner Empress of Australia included Brig. Gen. and Mrs. J. A. Gunn, of Toronto. The camera caught them just before sailing from New York.

Zeppelin Travel Proving Popular

The "L.Z.130," sister airship to the Hindenburg, will be ready for service in the autumn of 1937. She is now being built at Friedrichshafen and is destined for the North American route. Germany will then have three airships in regular service.

During the season just concluded, the two existing airships—the Hindenburg and the Graf Zeppelin—travelled 355,000 miles and carried between them 3,530 passengers. The Graf Zeppelin has 20 berths and the Hindenburg, after starting with 50 berths, now has 72.

The fame of the Hindenburg has somewhat overshadowed the achievements of the older Graf Zeppelin. The latter has now seen eight years service. For six years she carried out a scheduled service to and from South America. She has crossed the Atlantic no fewer than 139 times and has conveyed 13,000 passengers without a mishap.

In 1936 the accommodation on both airships was sold out on every voyage, and on nearly every trip passengers had to be refused because of lack of space.

St. Lucia Colony Dear to French

Northerly Windward Isle Retains Tradition of Early Settlers

French-speaking Canadians will enjoy St. Lucia, most northerly of the Windward Islands, not only for its scenery and French historical associations, many relics of which remain, but also because in language and customs there are many things traditionally dear to French hearts.

The visitor from Montreal, Three Rivers or Quebec, may, for example, be interested in agriculture and commerce. If so, he will probably call on J. Salles-Miquelle, member of the St. Lucia Agricultural and Commercial Society's committee on his arrival in Castries. Or, in Castries too, he may discuss in his own language, the affairs of business and the world with Harold Devaux, the deputy chairman, or M. de Minvielle or the Hon. George Belmar.

He may also meet the vicar-general, Very Rev. Fr. J. B. Dugast F.M.I., to talk of more spiritual things, but to French-Canadians St. Lucia has a charm of its own. It is essentially French in many of its customs, despite the fact that its status is that of a British Crown Colony, and as a health resort its fame is wide. The mineral springs, just outside the town of Soufriere, for example, have properties identical with the springs at Aix-les-Bains.

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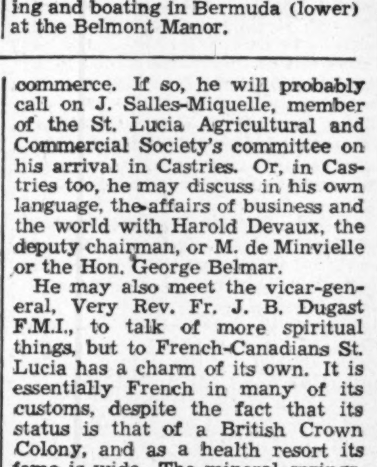

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Meighen Turns Spotlight on Canadian Senate

Senator Reviews its Functions—Holds it Cannot Stand in Pathway of any Government Unless Legislation is to Serve Party or Sectional Interests

RT. HON. ARTHUR MEIGHEN, K.C., P.C.

A new conception of the functions of the Dominion Senate was given recently by Rt. Hon. Arthur Meighen, opposition leader in the Upper House, in an address before the Canadian Club of Montreal. The Financial Post considers it of such interest and historical value it reproduces it herewith in full.

By RT. HON. ARTHUR MEIGHEN, P.C.

I am going to speak to you of something which I have never yet heard discussed outside of the walls of parliament, something as to which there is much misunderstanding. I am going to try to make plain what I conceive to be the usefulness and the limitations of our Senate in the public life of Canada.

There are few countries—and no major country—in which there is not a second chamber. They are all constituted somewhat differently, but the reason for each is based on the same considerations. In England, in France, in Germany and in the United States, in Italy and even in Spain, the restraint of a second chamber has been deemed wise by those who founded the constitutions of those respective countries.

Echo of Pre-Confederation

In this Dominion, away back beyond the period of its birth as a confederation, our provinces had second chambers known as Legislative Councils. These were thought necessary because the responsibilities of those individual provinces were then akin to the responsibilities of nations. After we became one, the Legislative Councils of the several provinces fell away until now there is but one left—that in this province of Quebec. The explanation is, first, that after surrender of the larger section of their sovereignties, questions that still remained for the deliberations of Legislative Assemblies were such as could be dealt with by one body alone; but more importantly for this reason: That the limited responsibilities of these Assemblies with the powers that remained were not so great as to fail to afford quite ample time for their careful and mature consideration and determination.

"Trustee of People"

In the Dominion it was the Fathers of Confederation who saw to it that there should be an upper house and defined its place briefly but clearly as the Joint Parliamentary Trustee of the People. This conception was supported at the conference at Quebec which was held two years before Confederation was a fact. It was there determined that this chamber should be established, that it should be a nominative chamber, and that its composition should be based upon the territorial principle and should not be in proportion to population.

There are criticisms, and always will be, that the nominative system, with appointment exercisable by the Crown on the advice of the Government of the day, is foreign to the spirit of democracy and to the genius of our people. In that connection it is well to recall that for 11 years prior to Confederation the nominative system had been abolished and the elective system adopted in the Legislative Council of Upper Canada; therefore, it was after 11 years experience of the nominative system that the latter was chosen by the great men of that time. Later I will allude to the propriety of that choice and the wisdom or unwisdom of changing it now, but for the moment I pass on.

Based on Territorial Principle

You will keep in mind that the composition of the Senate was put—on the motion it so happened of a statement from New Brunswick—wholly on the basis of territory; the three Maritime Provinces, who were coming in then, to obtain 24 of the 72 seats; Lower Canada, Quebec, to have 24, and Ontario 24. Later the West was added, and, irrespective of population, the West was given 24 seats as well.

This is emphasized so that it may be clear that there are special responsibilities attaching to that "Joint Parliamentary Trustee," called the Senate. Our Maritime Provinces declined to enter Confederation if the control of Federation's parliament was to be wholly in the hands of a majority, because under those circumstances they felt their views would be swept out of effect by the larger population of what was then called Western Canada. Lower Canada also insisted on the territorial principle, and that principle is still the basis of the Senate's composition. From this it is clear that there devolves upon the Upper House the duty of having special and peculiar regard to minority and sectional rights in Canada, to see that the majority exercising its full force in the representative chamber where population controls is not permitted to ride over the proper rights and privileges of minorities. Or to put the point another way, the Senate has the particular duty of standing guard over the Constitution as it applies to all sections of Canada, of making certain that provincial rights are maintained inviolate, that the relationship which the British North America Act established between the provinces on the one hand and the Dominion on the other hand, is continued, whatever may be for the time being the arbitrary action of a bare majority.

No Special Functions

When one passes from this phase, I do not know of any special function in the sphere of legislation which the Senate has, not equally shared by the Commons of Canada.

Sir George Ross tried to impress, in a book he published 20 years ago, that we in the Upper House were particularly vested with an obligation to hold inviolate responsible government in this Dominion—inviolate as against Imperial domination. I have very little interest in such a claim, for the reason that when you have a battle won for nearly a hundred years, you will do better to consider it won and not be continually trying to win it over again. Neither the Senate nor the Commons has in practical affairs any very heavy obligation in respect of responsible government.

I desire in a moment to outline to you some of the things which, in my opinion, the Senate ought not to do—to indicate certain limitations, not so much upon its powers as upon its duties.

The Senate is not a representative chamber; its personnel does not spring directly from the spoken word of the people; yet it is as much a chamber of the people as is the House of Commons. Its members do not come from any special class or caste, as in some lands; they come from the ranks of the people; they have popular sympathies and popular interests at heart.

The Senate was constituted by the people through the Fathers of Confederation, and ratified by the vote of this country, because in the belief not just of a few, but of this whole Dominion it was in their interests that there should be a review of Commons legislation, with special protection of minority, sectional and territorial rights. Of all these delegated duties we are trustees; most of them we share with the Commons and have responsibility just as direct as they have, and we should make it our duty hour by hour to live up to the full standards which were doubtless in the minds of the Fathers of Confederation and which today are as vital to Canada as they were at that time.

What are our limitations?

There are those who say: "You should be very chary about reversing the will of the elective chamber; in fact, if you do so more than once or twice, you should prepare for your demise. You are not elected, and, therefore, you have not the same rank and status as those who are elected."

There probably was reason for not making the Upper House in this country elective. If it were to be so, then the Senate of Canada would become in large degree a reflection of the Lower Chamber, and it would be necessary for members so to conduct themselves, each in his own groove, so as to ensure, first of all, the favorable opinion of that special constituency from which the member comes, and, secondly, the dependable co-operation and support of the party to which he had belonged and does belong.

Then Replica of Commons

If those considerations are to be in the mind of members of the Senate, they never can discharge properly the functions which are theirs, nor can the Senate in these circumstances be more than a mere replica of the Commons, and its performance will become a mere repetition of the debates and controversies which take place in the other chamber.

In a word, we might as well, in my opinion, have two Houses of Commons, one of which would be redundant, as to have an elective Senate.

Some say there should be other reforms, for example, that members of the Senate should be chosen by different bodies. These ideas have been debated for many years, but outside of the suggestion that a limit of age might be applied, I do not know of any which made very much appeal, or which did not carry within its bosom a danger of detracting from the special powers, functions and duties for which the Senate was created.

Principles Clear

If I am asked what should the Senate do in respect of measures; by what outstanding, clear and easily understood principles it should be guided, I would say this:

Where there is a mandate for legislation which comes before us, where such legislation was clearly discussed and placed on the platform of the successful party in an election, then only in most exceptional circumstances should there be any attempt or desire on the part of the Upper House to refuse to implement a mandate by the concurring imprimatur of the Senate.

I would not go so far as to say, nor could anyone who has thought the subject out say, that under no circumstances should legislation, coming to us from the Commons, though clearly supported by a popular mandate in an election, fail of support in the Second Chamber. It has been plainly and tersely enunciated by Sir John Macdonald, by George Brown and by Maritime statesmen, as well as by Taché of Quebec, that the Senate's duty, or one of its duties, is to see not only that wise legislation, having for its purpose nothing but the public good, is allowed, irrespective of mandate, to become law, but in certain conceivable events to see to it as well that the public of Canada, which may, at one election, have endorsed extraordinary proposals, has opportunity, if such proposals are of a particularly dangerous or revolutionary character, to think the subject over again; in a word, that the Senate may under certain circumstances, be allowed to appeal from the electorate of yesterday to the electorate of tomorrow.

Points to Alberta

You ask if there is any chance of such a contingency arising. Cast your eyes westward, where under the influence of drought and depression, and under the influence of other urgings not usually brought to bear on public matters, the province of Alberta departed in the last provincial contest from long-tried and tested principles of finance, to embrace what is undoubtedly a mere mirage. If such a step were taken by this whole Dominion under similar circumstances, I wonder if a chance to think the subject over once more, and to make certain that the judgment of the electorate of Canada was a deliberate judgment and one to be sustained, should not as a bounden duty be granted.

I am not asserting that such a contingency has or ever will come; but it never can be laid down as a rigid rule that even a mandate is universally obligatory upon the Upper Chamber or that it would be its duty in all circumstances to acquiesce blindly in any measure. It is enough to emphasize the fact that there is authority behind a popular mandate which the Senate never can ignore, and that only under very special circumstances should the Senate even for a moment fail to comply with an electoral judgment.

No Question of Mandate

The great mass of legislation has, however, no relation to any special dictum of the people in an electoral contest at all. The great mass of legislation springs from circumstances of the hour. Something has to be done in the judgment of the administration, and the administration works out its solution in such manner as is deemed fit, and submits that solution to parliament. There is no question of a mandate at all in the case of at least 98% of the measures which come to either House.

Of legislation of this kind, I would not go so far as to aver that the Senate should in all cases have no regard to the wishes of the Commons, but only to its own viewpoint. If it is a subject naturally within the purview of Government, something to do with administration; if it is a reflection in a bill of what the Government feels itself, and should be, best suited to handle, and if it does not affect positive principle going to the root of our institutions, then I would say, even though we thought a better way might be found, even though we thought it might be better to send it back, it would be wiser for the Senate, after making, if it can, such remedial amendments as will improve the measure, to allow the Government to have its way.

Too Many Commissions

Many a time I have found, and my colleagues have felt the same, that some problem demanding solution was being shelved by referring it to a Royal Commission—a favored practice of our time; whereas it would be much better if the matter were wrestled with by the Government itself and some method found by the administration to meet the necessities of the hour. Though in such a case much can be said for a reference back, we do not take that course. We try to put the legislation into the best form we can for carrying out what the Government wants to be done; we try to make it, as far as care can make it, practical, proper and fair to all concerned, and then we let the legislation pass.

As regards private measures, steps have been taken lately to encourage introduction of these in the Senate; indeed, great advantages now are obtained by their introduction there, and the effect is likely to be that private measures are largely going to to be initiated in the Upper House, which I think is in the public interest.

Would Have Ministers Present

There may be reforms in other lines that could be effected. I think it would be of advantage if ministers, whose seats are in the House of Commons—though they do not necessarily have to be—had access to the Senate, if desired, when legislation coming from the department of the minister desiring access is under review in our chamber. If entrance to the Upper Chamber were possible on the part of ministers, it would, I think, add to the efficiency and harmonious working of our system of parliamentary government.

I am going to mention another development which has come in recent years. There are more bills both public and private being initiated in the Upper Chamber than at any time in the past. It is a too-prevalent opinion that the proper place for initiation of legislation is in the Commons alone. Doubtless the larger volume must always be first submitted there, and especially legislation which is the outcome of an election mandate. But there is an increasing body of public business which has to be dealt with session by session, which does not go to even the fringe of politics, but has to do with the regulation of commerce and finance; such things, for instance, as amendments to insurance laws; the establishment, for the first time in this Dominion, of shipping laws; and matters of that sort. Such subjects can be presented first to the Senate, and now most frequently are so presented. There is thus given to these measures a care which, on account of pressure of time and other complications, the Commons is incapable of giving.

Hands Off Taxation

There is only one class of legislation which, in point of law, must be initiated in the Lower Chamber, and that is such as has to do with taxation of the people, or such as creates a charge on the Treasury. I am not certain, indeed, that the limitation is as wide as I have thus expressed it. However, whether it is so or not, that Senate would be very ill-advised which sought to encroach upon the territory which I have defined. Far better that subjects which fall within the domain of taxation and of charges upon the Treasury should have their initiation in the Commons, as is the case in England. Whether or not this is the law in Canada I think it ought to be the practice in Canada.

The Senate is worthless if it becomes merely another Commons divided upon party lines and indulging in party debates such as are familiar in the Lower Chamber session after session. If the Senate ever permits itself to fulfill that function and that alone in the scheme of Confederation, then the sooner it is abolished the better. I am not deprecating this practice in the House of Commons. If we are going to have a democracy, the practice must continue. There have to be parties and party manoeuvres; there have to be conflicts and controversies almost innumerable in variety and wearisome in length. The great scheme of bringing sections together, letting each see the viewpoint of the other, has to be worked out in the representative Chamber.

Get away From Party

Sometimes we are too impatient in criticisms of governments in allowing what seems inordinate time for discussion of public business. That discussion is good, but in my opinion it is not the function of the Senate. Members of the Second Chamber must get away, lift their minds far from those hard-drawn lines of party, or they cannot serve this country. They have to forget the divisions and controversies in which they took part before their elevation. They have to make up their minds to give every Government fair play and not to stand in the way of legislation unless they are convinced it must be defeated on its merits, and that the consequences of failure to defeat it would be serious; nor to stand stubbornly in the path of any Government proposal, unless it is brought there, in their judgment, to serve the ends of party by largesse in this or some other part of the Dominion rather than the true interests of the nation.

The Senate, too, has to see to it that legislation which is initiated in our House is put in the very best form possible so that it may be found to meet those real needs for which it was designed, and that when it leaves our hands it is going to be an instrument of business and not merely a breeding place for litigation to become, in due course, a paradise for lawyers. It is our business as well on receipt of a measure from the other chamber first of all to study the principle behind it, and in every case to study it with a sympathetic mind, and, unless there is grave reason for resisting it, to devote our best efforts to its improvement, and then to give its passage our support.

Must Perfect Legislation

Our task in the practical working out of the business of Parliament is to see that every measure, when it passes from our hands, is a piece of legislation well done. To this end the Senate sits but a short time each day. Rarely does it sit throughout the period fixed for both Houses. We adjourn when our work is done as far as concerns the recording and explaining of decisions arrived at, and repair to our committees, and mainly to two major committees, the one presided over by the Rt. Hon. George P. Graham and the other by Senator Black of New Brunswick, for detailed study of bills. This study and review we grind away at each day for several hours, and often into the night. Our labors include the rearrangement, very often the recasting, and nearly always the reexpressing of bills and resolutions—the former sometimes of enormous dimensions. It is before these committees that the public is heard.

Hearing the public—that is, all interested from any angle in the measure under review — is only one function of the Senate, but a very necessary and important function. If we make ourselves a debating society, this duty, so vital if our work is to be well done, could never be discharged.

Parties Don't Stand Out

It is our part to make sure that conflicting interests from every end of this country have an equal hearing, so that everyone concerned has opportunity to express his views and tell us that this or that provision is not going to work, and why. Thus, all contentions and all arguments are advanced before a bill takes its final form. This system we have developed very successfully with the full co-operation of both sides of the House, because we still have sides, though they do not stand out very strongly. This is the service we have tried to render, and on this record and this principle of procedure we submit we are discharging our duty to the people of our country.

There is between the place each House should occupy in Canada a distinction fundamental and imperative. The House of Commons is and must be the forum of debate. It must be there that champions of conflicting policies meet and struggle and decide their issue. There is the arena where young ambition goes, there he enters the lists and flashes his sword in battle with his peers: it is there that leaders of public opinion, and those who aspire to lead, mount the rostrum and brave the storm, the bustle and the hurricane, the arrows of a hundred foes in front, and the scowls of critics behind; there they press on in the measure of their talents and their courage to the glittering prizes of our public life. The House of Commons is the place where West and East find out what each other wants; where races blend their thinking; where classes learn, or ought to learn, by contact and conflict, that they are all of the same clay and need pretty much the same laws. It is the melting pot of the nation.

Senate Task Different

The Senate has a more prosaic task. Its duty is to see that great principles upon which the Dominion has reposed are carefully reflected in its statutes, to design legislation so as to meet the realities of business, to review and temper proposals of the other House so as not unnecessarily to discourage enterprise or restrict the area of employment; to oppose the ravages of partisanship from whatever source they come, and at least to give public opinion time and opportunity to be deliberate and to be understood; to be governed not so much by emotional appeal or fleeting spasms of popular fancy, but to listen to the accountant, the operator, the employer, the employee and the unemployed, and to make sure that legislation when finally passed will work with fairness and facility. The Second Chamber should be a workshop and not a theatre. For this function the Senate was created, and this function it must with thoroughness and fearlessness perform.

Cannot Stem Majority

There are things, though, which it cannot do. Some time ago a prominent and popular Canadian, a man of opposite political associations from myself, said to me: "I am thankful in these days for the Senate! No matter what wild and extreme radicalism may sweep the country, the Senate will stand firm; it will save the ship."

This surely is worth saying and remembering: The forces of wild and extreme radicalism must be met right out among the ranks of our people, in their houses and meeting places—there the power of reason and common sense must be applied, the lesson of long experience must be taught, or nothing will save the ship.

Surely we have learned from tragedies in other lands that the tide of a mad,, militant and persistent majority never can be stemmed. It must not become a majority.

May Be Too Late

If in this country the trade of politicians is to be what it has been too often, to fatten on the fruits of class hatred, class envy, class animosity, to reap a harvest in votes by fanning these dangerous fires, then do not depend on the Senate or anything else to hold in place the foundations of democracy, because it may be too late.

After a fairly long life, I am one of those who believe that these things can happen even in the presence of fair and equitable laws. It certainly is not too much to say that they can more easily take place when territory is large and distances are great, when population derives from a multitude of races and when the forces of sanity and industry are selfishly indifferent and at the same time divided.

Look to Common Weal

What the Senate can do is to devote its energy within its own sphere to making our laws practical and sensible, to give the best possible chance to workers and especially to the humblest workers, to encourage the upward climber, to attach a wholesome penalty to voluntary idleness, to remember always that there is nothing so vital to the common weal as security to life and property, and to offer no countenance to dishonesty and confiscation.

Canadian Car Claim Delayed

Germans Ask Three-week Delay Before Awards Decided

From Our Own Correspondent

MONTREAL.—Further delay in the settlement of the claims for damages arising out of the Black Tom and Kingsland disasters is announced by L. A. Peto, vice-president and general manager of Canadian Car and Foundry Co., one of the principal claimants.

At a recent formal meeting of the Mixed Claims Commission, in Washington, the German agent announced that the Foreign Office in Berlin had not passed upon all the documents filed by the American agent relative to the Munich settlement of July last, and requested a delay of about three weeks in order that all these papers might be passed upon by Berlin and the necessary instructions thereto be sent to the German agents in Washington.

The American agent agreed to the German agent's motion for an adjournment, on the understanding that the adjournment would only be a short one, and the Commission granted an adjournment subject to call.

The documents which were filed with the Commission by the American agent include individual motions for awards based on the Munich settlement. These motions are over 150 in number, comprising the individual awards of the various insurance companies arising from claims paid for both the Black Tom and Kingsland disaster, as well as the claims of the principals involved, including Agency of Canadian Car and Foundry Co.

Canadian Investors' Bonus

Canadian Investors Corp. Ltd. has declared a bonus dividend of five cents a share with the regular quarterly payment of 10 cents. Both dividends are payable Feb. 1 to holders of record Jan. 18.

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Today when an Executive wishes to know the percentage of single and married in population figures . . . the dairy production of a particular province . . . the exports to Australia . . . the radio sets in Canada . . . the earnings of wage-earners . . . the value of our fisheries . . . the imports from Siam . . . the number of grocery stores in any Canadian city—whatever he wishes to know the statistics are easily available. Just write Ottawa—they will give you the facts and figures.

The data collected and collated by the Bureau of Statistics and published in daily, weekly, monthly and yearly bulletins and books for the use of Canadian Business, contains a wealth of valuable information which no single business could hope to compile except at tremendous expense.

The Canadian Government places this service at the disposal of every business man, who should appreciate and use it.

HON. W. D. EULER, M.P. MINISTER

DEPARTMENT OF TRADE AND COMMERCE

OTTAWA

JAMES G. PARMELEE DEPUTY MINISTER

TC-363

In The Construction World

AFTER a long term of lean years, it begins to appear that the tide has definitely turned for the big bridge companies. Dominion Bridge in its annual report this week shows a substantial gain in profits for the year ended Oct. 31, 1936, and this does not really reflect the full improvement because much of the new work undertaken in the last few months was not completed prior to the end of October and therefore was not shown in the report. Although the annual report of Hamilton Bridge for the year ended Dec. 31, 1936, will not be issued for some time yet, it is understood that this company also has enjoyed very considerable improvement.

And the gain in 1936 is generally believed only a forerunner of that expected in the immediate future. Two huge bridge propositions are nearing the tender stage in both Ontario and British Columbia, while several structures in the neighborhood of a million dollars are proposed in New Brunswick, Quebec and other provinces.

* * *

Bridge Companies Expect Rail Orders

LOOKING a little farther ahead, the situation in regard to railway orders is probably more promising than in the last five years. Ultimately the railways either must replace much present equipment, and this applies to bridges as well as railway rolling stock, or give up the idea of dominating the freight carrying field. Orders for rolling stock have already been received but not a great deal in the way of bridge building. But promise of a good Western grain crop this season added to the already considerable recovery in general carrier figures since the depression, would put new life into the railway purchasing departments.

Continued mining development will also force further railway development and with it orders for bridges, rails and other construction materials. The 100-mile extension into northwestern Quebec last fall was one concrete example of the important indirect value of new mining discoveries to Canadian industry generally. It is, of course, a notorious fact that metal mining and rocks, rivers and very uneven country go hand in hand and any highway or rail development following the establishment of producing mines means inevitably bridges and also orders for other steel, cement, cables, lumber and similar building materials.

* * *

Building By-laws and High Costs

ON MORE than one occasion in the last year The Financial Post has drawn attention to the absurdity of some of our municipal building regulations. While certain cities have seen fit to revise these regulations in keeping with new materials and new methods now available, in other cases the same old archaic rules still apply.

Apparently city fathers are only concerned with structural strength, going on the assumption that if a wall will stand up then it must of necessity stand anything else. While various honorary and other committees continually preach the necessity of cheaper housing, rigid regulations in these same cities absolutely prevent any real innovation in low cost shelter.

New materials make it possible to erect six-inch walls that are strong enough to carry any necessary load, and are just as fire resistant as nine-inch masonry. In addition they are equal to stone or brick walls of several feet thickness in insulating value. As a result they give a much warmer house at 25% the annual fuel cost in houses of the older type of construction. Engineers have repeatedly told The Financial Post that housing costs could be substantially reduced in the larger cities and homes of much lower maintenance cost would be the result, if freer rein were allowed in the choice of materials. Committees who have generously devoted much investigation to the pressing need of low cost and moderate cost housing might hasten a solution of this important problem by also looking into ways and means of cutting costs.

* * *

Good Crops Would Open Big Field

CONSTRUCTION and agriculture have at least one point in common — both industries are largely dependent upon favorable weather. But there is a deeper and more significant connection in Canada. Fair to excellent crops throughout Canada this year might easily open a huge market for new construction, and a market incidentally that has been practically closed since 1930.

Farmers not so long ago were among the most important class of customers for cement. They were also big buyers of lumber, metal siding and roofing, and steel stable equipment.

There are nearly a million farm homes in Canada and at least half of these were built previous to 1900. Farmers are considerable users of electrical power, the installation of which means transmission lines and the purchase of electrical equipment.

A survey of a more prosperous rural section in Eastern Canada two years ago revealed the necessity of $1,500 purchases per farm of capital goods, largely in the construction field, to bring these properties up to first-class shape and the lack has not diminished since that investigation was made.

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Construction Outlook (No. 1)

Recovery Bringing Nearer Business Building Revival

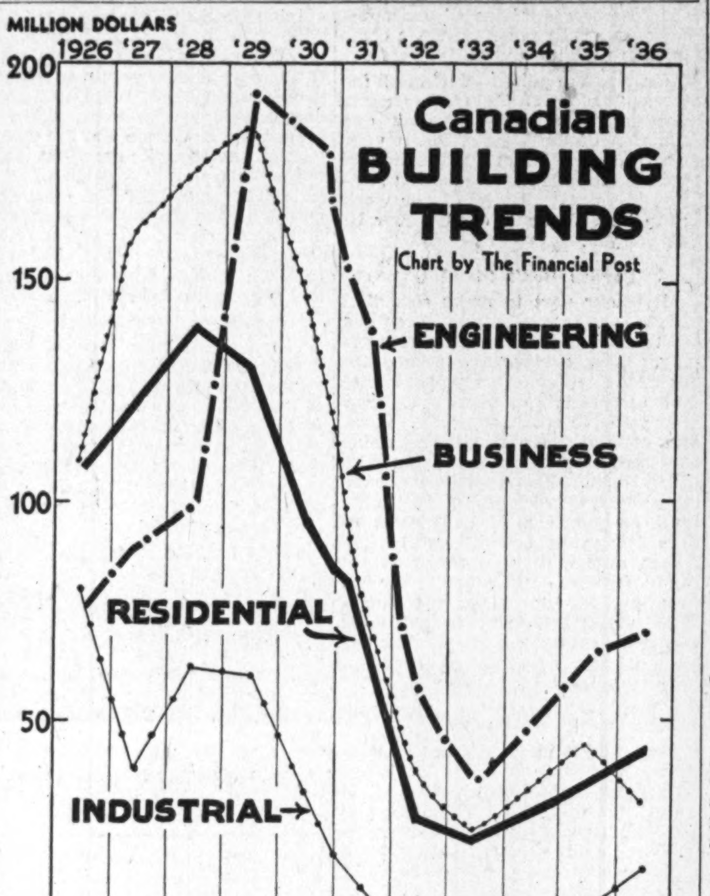
Some 1929 Leftover Office Space Still To Be Digested

WILL MODERNIZE

By GORDON L. SMITH

In this age of booms and depressions, civil wars and dictatorships the term normal has lost much of its original meaning. In industry, too, the trend of developments is further complicated by constant changes in styles and castes usually classed under the broad heading of improvements.

Over a period of years various industries rise and fall and some of them either completely disappear or shrink into insignificant proportions compared with their past importance. In the last 50 years the world has witnessed startling changes. The coal industry has boomed and it has receded. Other sources of power have successfully challenged it in many quarters. But under some new development it may come to the fore again. A comparison of the progress of the electrical or motor car industries today with that of the beginning of the century would be ridiculous, for the simple reason that these new industries were hardly taken into account at all in 1900.



What is Normal?

And all these reservations must be considered when one looks into the construction industry. Here again an immediate forecast based on past performance must necessarily be tempered with caution. A really normal period in which to make a comparison with today's progress is difficult to find. Certainly one would not be justified in taking the war years and those immediately afterwards. The whole picture was distorted then by the preponderance of new munitions plants and the high cost of building materials. Only the most prosperous industries could expand plants from 1915 to 1918. And as these most prosperous were invariably products of the war they immediately became the most dormant once the order to cease fire sounded throughout Europe.

Big Spurt in 1929

But for several years after the war building costs remained so high that even urgently needed construction was held back. Later on in the boom of 1927-1929 there was a spurt in almost every line of construction, but particularly in office and engineering types of building. Just how much of this went into hitherto deferred construction, however, and how much into building for the future is rather hard to determine. In any case even optimists are now beginning to doubt the advisability of calling those years normal or to expect any permanent return of such times. This, then, leaves the period centring around 1926 about as near normal as one can reasonably determine in Canadian construction.

In the accompanying chart the trend of the four main types of building in Canada from that year until 1936 is shown. Totals in all cases are based on MacLean Building Reports.

Still Digesting Previous Boom

Business building from 1926 rose generously up to 1929 then fell off just as quickly as contractors could finish the big skyscraper jobs in hand. Indeed in a few cases where contracts permitted or finances did not, construction was halted even without the formality of finishing, and not until very recently were those monuments of the depression completed.

Now although this business building easily led the upward gain in construction from 1926 to almost 1929, there would seem less likelihood of it taking first place again in immediate recovery. Prospects for this type of building throughout the Dominion are not considered the most favorable just now.

Still Some Vacancy

Biggest single item under this head is usual office building and it is doubtful whether there is any scarcity in this line yet. Many of the tall structures erected in 1929 or the year after did not fill as quickly as anticipated. In Montreal, at least, there is still a good deal of space minus tenants, and while the situation is better in Toronto, there is as yet no actual shortage, and a new 20-story building will soon be ready for occupancy. In the western cities new space is not plentiful, but rents are still low. Relatively there was not as much of this kind of building carried on in the west during the recent boom, but delay there in general recovery will probably check office building at least for another year.

Public Building is Factor

Within the last three years the Dominion Government must have spent close to $100 millions on big federal public buildings throughout Canada. These have been erected in almost every city of any size. While they do not cater to private tenants, they do affect the general situation, as many federal offices hitherto scattered throughout privately owned office buildings, have now been concentrated in the new public structures.

Broadly speaking, of course, the office building situation like almost everything else has shown some improvement. The continued mining boom with its insistent demand for head offices as more prospectors' finds give place to development, has helped considerably. In some of the more active smaller cities, too, there is a good deal of deferred building which only waits a little more general recovery to develop confidence enough to proceed. But it seems doubtful whether Canada is yet on the eve of any development corresponding to that witnessed in 1929 when many of the big banks, insurance and other companies dipped into ample reserves for new head office buildings.

Modernization Programme

Before much new privately financed construction of this type commences, it is almost certain that there will be a big programme of modernization of the structures erected 20 to 30 years ago. Many of these can easily be brought up to date with new lighting, new elevators, new ventilation systems and similar installations. That type of expansion will probably precede a big spurt in entirely new construction.

But business building totals are made up of other things than office buildings. Construction of stores, warehouses garages and theatres are big items. In all these lines there has been very considerable construction in the last two years.

Stores and Theatres

Chains and big department stores have been completely modernized. Scores of theatres ranging up to $600,000 jobs have been put up. A fair proportion of this new building must have represented back-log construction, that is construction which has been needed for some years.

Such will not affect prospects for that new building resulting from increases in current or future business. But the fact that there has been a good deal of recent construction in this branch of the business building field cannot be overlooked and certainly while maintenance of a reasonable increase in the present rate of activity may be expected, unlimited expansion cannot.

Many Churches Needed

Left within the field of business building are some miscellaneous types, of a semi-public character such as schools, churches and libraries. Speaking very generally there should be a good deal of potential work here.

Aside from Quebec there has not been much church building in Canada in the last five years. True, replacement of these structures does not take place as often as in other types of buildings, but there must be hundreds of congregations with plans for new buildings already in hand. Funds went into other and more pressing channels during the depression and are still being diverted to provide food, shelter and other charities. But as recovery proceeds the need for such calls on the church should grow less.

Continuous Demand for Schools

In schools there is always a continuous need for new building. Structures soon become obsolete, and the shifting of populations to the fringes of the big cities makes much new building almost compulsory. Bond troubles of many urban municipalities have halted plans, but now with the prospects of permanent settlements of these troubles the path toward new building becomes clearer.

Little can be predicted regarding the outlook for those larger educational edifices which grace the grounds of universities and colleges. In so far as these depend on Government grants and established endowments, prospects should be improved though hardly, one would think, to the stage of permitting very rapid expansion. As for new building from future private grants and endowments, such always depends more on the age and health of the donor rather than on the financial recovery of this Dominion.

Summing up the outlook for business building in Canada, then, the natural conclusion is that until there is further digestion of existing space, some of which has been but partially occupied since 1930, only moderate and gradual improvement can be expected generally. But further economic recovery in Canada should accentuate the wide scale modernization programme, already started, of stores, office buildings and theatres, and will hasten that period when much new building will be imperative.

Editors' Note—Prospects concerning the other three main branches of the Canadian construction industry, industrial residential and engineering, will be analyzed in subsequent issues of The Financial Post.

New Building

The Redemptorist Order is planning erection of a $300,000 scholasticate on its property on the corner of Bayswater Avenue and Young Street, Ottawa, according to the Daily Commercial News and Building Record. A new church will be built later.

* * *

Work will be completed in August on the $650,000 construction project now under way at the plant of the **Bathurst Power and Paper Co.**, Bathurst, N.B. The additions include a new steam plant.

* * *

McColl-Frontenac Oil Co., will build a one story service station at the corner of Danforth and Woodycrest Avenues, Toronto.

* * *

Johnson and Johnson, Ltd., Montreal, is planning a $20,000 addition to its plant. The company manufactures medical supplies.

* * *

The Brantford Refrigerator Co. has purchased the site it now occupies as well as adjacent vacant lots to allow for expansion.

* * *

Ford Motor Co. of Canada will construct a new branch assembly plant at Vancouver, to serve British Columbia territory. The new unit will cost about $400,000 and will be part of the $5.5 millions expansion programme now in progress. A $50,000 warehouse is also planned in Regina.

* * *

Canadian Cottons is erecting a $40,000 extension to its dye house at Canada Mills, Cornwall, Ont.

* * *

Western Clock Co. has purchased additional ground at Peterborough, Ont., preparatory to erecting plant additions, planned for 1938, according to the Daily Commercial News and Building Record.

* * *

National Steel Car Corp. will decide soon whether or not it will erect additional office accommodation at its Hamilton, Ont., works.

* * *

Murphy Varnish Co. is spending $40,000 for a structural steel work addition to its plant, according to Montreal reports.

* * *

United Amusement Corp. will build a $200,000 addition to its chain of motion picture theatres. The new unit will be added at Outremont, Que.

Sarnia Bridge Start Mooted For the Spring

Sale of $1.9 Million of Bonds in U. S. Is Suggested

COST $3.5 MILLIONS

Actual construction on the $3.5 millions international bridge planned between Sarnia and Port Huron of the Ontario and Michigan sides respectively of the St. Clair River, may start this spring, according to reports from Sarnia. The Michigan Bridge Commission, which is having working plans and specifications completed, is reported to be going to call for tenders of $1.1 million for the central span in the near future.

The Ontario Department of Highways will put relief labor to work on the approaches on the Canadian side if the scheme goes through. Use of Canadian material and labor on the entire project to the extent of 50 per cent is suggested.

Much will depend naturally on the disposal of a $1.9 million bond issue to be offered, it is stated, in Toledo, New York and Detroit.. This would cover the cost of the centre span and the purchase of the ferry system which now provides connections between the two points.

From a construction standpoint companies like Dominion Bridge and Hamilton Bridge would probably be most interested in this proposition. Financially there may not be a great deal of interest in Canada as the record of financing international bridges over the last decade or two has not been a particularly happy one.

N. B. Power Board Output Helped by Rain

From Our Own Correspondent

MONTREAL. — Power produced during November and December by the New Brunswick Electric Power Commission was appreciably greater than in the corresponding months of 1935 largely because of additional rainfall. Production at the Musquash plant was particularly heavy, which lightened the load on the steam power plant at Grand Lake.

Consideration is now being given by the Commission to the proposed transmission line from Musquash to St. George, with branch lines to supply Beaver Harbor, Chance Harbor, Maces Bay and Bonny River. More than 800 customers could be reached by this line.

Canadian Industries Ltd. Plans Explosives Plant

From Our Own Correspondent

MONTREAL. — Arrangements have been made by Canadian Industries Ltd. for the construction of an explosives plant at St. Timothée, P.Q. When built the plant will employ 250 men.

The building was to be constructed in Valleyfield, but owing to the dangers of an explosion it was decided to change the location.

Big Road Paving Programme Announced for Nova Scotia

Hon. A. F. MacMillan, Provincial Minister of Highways, has announced that the Nova Scotia Government will pave over 300 miles of highways this year. This statement will be of considerable importance to such companies as Canada Cement, Dufferin Paving and Standard Paving and Materials all of which have been actively interested in highway construction in the Maritime Provinces in the last few years.

Both New Brunswick and Nova Scotia have undertaken a fairly extensive highway paving programme in an effort to attract more tourist traffic. This traffic forms a very important source of revenue in these two provinces but in recent years there have been many complaints in regard to the lack of hard surface roads.

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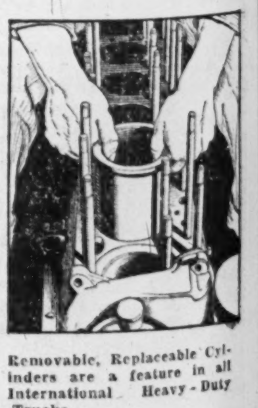

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